

REVIEW OF REVIEWS

FORMERLY REVIEW OF REVIEWS AND WORLD'S WORK

★ ★ ★ EDITED BY ALBERT SHAW ★ ★ ★

FEBRUARY

THE COVER

"Can I borrow a few more billions, Uncle?" "Sure, Sam, take all you want!"
Ervine Metzl, cover artist, depicts the wishful hopes of the proponents of a central bank. To get the background, read "A Wolf in Sheep's Clothing."

THE PROGRESS OF THE WORLD 13

Old-time Southern Democrats will make it easier for the President to steer a middle course. The Editor explains, as well, why a middle-sized navy is futile.

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VOLUME XCI NUMBER TWO



THE SPIRIT OF SERVICE

THE value of a nation-wide telephone service, under one unified system, is reflected in the day-by-day efficiency of your own telephone. It is given dramatic emphasis by an emergency.

Several years ago, the worst sleet storm in telephone history swept north from Texas almost to the Great Lakes and ravaged a section 150 miles wide. Thousands of telephone poles were broken. Thousands of miles of telephone wire were snapped by the weight of clinging sleet. Telephone communication throughout the country was affected by this gap in the Middle West.

To restore the service quickly was beyond the power of the local telephone companies. Had they been forced to tackle the job alone it would have taken months and imposed a heavy financial burden.

Instead, the full resources of the Bell System were thrown into the breach. From the Southwest, from New York, Pennsylvania, Ohio and the Northwest, the repair trucks started rolling into the stricken area.

Even while men were on their way, the warehouses of the Western Electric Company started shipments of tools, wire, poles, cross-arms and other needed equipment. It was only because of standardized material and standardized methods that the emergency was met and service quickly restored.

Telephone service as you know it today would be impossible without the unified Bell System.

The Western Electric Company is the manufacturing, distributing and purchasing organization for the Bell System. Centralized activity of this kind means better quality at lower cost.



BELL TELEPHONE SYSTEM

THE PROGRESS OF THE WORLD

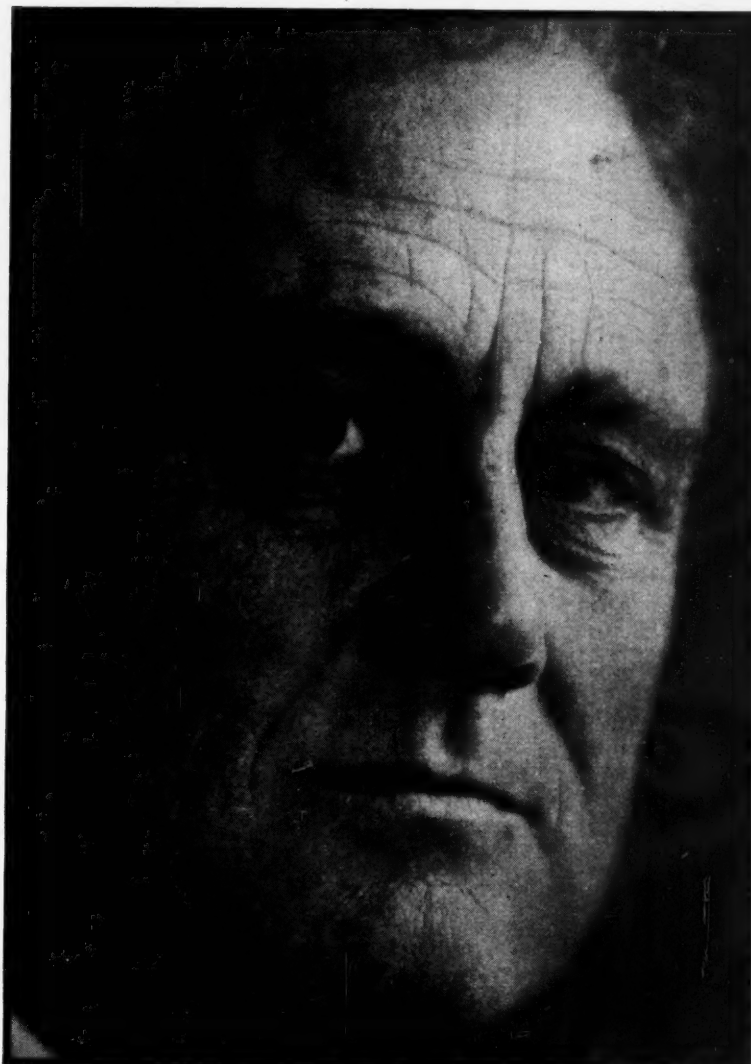
BY ALBERT SHAW

Southern Democrats with long experience in Washington affairs offset the vagaries of "brain trust" experimentalists. They make it easier for the President to hold a middle course.

ONE OF THE MAXIMS that we have sought always to impress upon readers is this: "We can have only one President at a time in the United States, and we choose him for a term of four years." The head of the state in England is a King who is entirely acceptable and who "reigns but does not rule." He carries none of the burdens of administration. France has a President who symbolizes the State in its dignity, but does not take part in legislative or executive business. In each of those countries there is a Cabinet with a Prime Minister running the country by virtue of parliamentary approval. It is permissible to fight the administration, and to seek a change of ministries. For a long time past the downfall of French Premiers has occurred at intervals of six months on the average.

In England at the present time the Tories have a great majority in Parliament, but they maintain the pretext of a coalition government in order to minimize partisanship and keep the country running on consistent lines in a difficult economic period. This, however, is a temporary arrangement and in due time the Labor party will assert itself and seek to regain control.

Our President holds a unique position. He is named and elected by a political party, and he surrounds himself with men chosen from among leaders acceptable to his party in the two houses of Congress. But his efforts in office must consider the welfare of the entire country, and he cannot be actuated by the partisan motive. To "fight the President" while he is on his four-year job is not in good taste, nor is it wise. His policies may be discussed on their merits, and criticized with candor.



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SUPREME

No individual in the world today wields greater power over a nation than does President Roosevelt.



STORMY

The nation's Capitol on a wet night. Turbulent debates within its walls are expected in the coming months.

But he is to be treated with respect, as the head of the country, while he holds his arduous position.

In the election of the new Congress last November there could be no mistaking the motive and spirit of the country. Very large majorities were elected in both houses of Congress on the clear promise to support the President and to help him carry on his efforts to reduce unemployment and to aid economic recovery. The new Congress assembled on January 3rd. There was evidence of unusual desire on the part of the Congressional leaders to cooperate with the Administration. Especially was it evident that Mr. Roosevelt had no reason to fear lest his public influence and personal prestige might have suffered some decline.

There was evidence of cordial relations between the White House and the experienced "old parliamentary hand", John N. Garner, Vice-President, who is surrounded by his friends

as he presides over the Senate. Joseph Taylor Robinson of Arkansas continues at his former post as leader on the Senate floor, and he is one of the closest of the President's advisers. Mr. Garner was Speaker of the last Congress, and he is now succeeded in that powerful office by Joseph W. Byrns of Tennessee.

Old Timers

These Southern place-holders are often given jobs for life at Washington by their friendly neighbors of such typical states as Arkansas, Texas and Tennessee. They move steadily to the high posts through the advantages accorded to seniority, but also through the tests of character and meritorious service. They are usually born in the states which they represent. They are as a rule admitted to the bar after somewhat meagre early schooling. They usually serve a few years in the State Legislature,

and then go to Congress. Thus the Vice-President had served thirty years (fifteen consecutive terms) and was Speaker of the Seventy-second Congress before his inauguration as Vice-President in March, 1933.

The present Speaker, Joseph W. Byrns of Tennessee, was head of the Appropriations Committee in the last Congress, and is in his thirteenth consecutive term. Joseph T. Robinson served ten years in the House of Representatives, and has been twenty-two years in the Senate. These are all steady-going legislators and by no means in their dotage, although they were at Washington through the stirring times of Theodore Roosevelt, and were among the men of mature experience on Capitol Hill during the eight years of Woodrow Wilson. For three decades they were the associates in the Senate or the House of Cordell Hull of Tennessee, now Secretary of State. Also their services in Congress have coincided closely with those of Carter Glass of Virginia, whose eighteen years in the House have been followed, after an interval as Secretary of the Treasury, by fifteen years in the Senate.

Of still longer service at Washington is the present Secretary of the Navy, Claude A. Swanson, who was first elected to Congress in 1892. Fourteen years later he was Governor of his state for four years, and in 1910 became Senator, serving as Mr. Glass's colleague until—after twenty-two years in that chamber—he became Secretary of the Navy in March, 1933.

There are others of similarly long experience in Congress who stand also among the typical Democratic leaders of the South. But it may suffice to remind our readers that the Vice-President, the two Senators, and the two Cabinet officers whom we have named are still to be found on the scene, and are not to be reckoned as back numbers. They will have more influence in the treatment of our larger affairs this year than they had in 1934. They are familiar with the Constitution of the United States. They are aware of the federal structure of the country, and fully agree in the belief that the States must be preserved, not only in their theoretical and legal rights under the Constitution but also in their practical functions.

Senator Glass is more outspoken than the others. But he is not alone among Southern statesmen in his feeling that the experimentalists known as the "brain trust" have made a number of painful mistakes, as they have been allowed to do this and that in hasty improvisations based upon theories of uncertain origin. The "brain trust" has had its grand

chance. It has announced as of its own invention or discovery many things that were exceedingly familiar to political thinkers of former years, but rejected on merit. If it has contributed anything to the solution of our present problems, we shall all be glad to know about it and to render full justice in epitaphs of rhyme, free verse, or oratorical cadence.

The public was fairly submissive while the New Deal was lashing itself into frenzies of hysteria, and imagining that it alone could rescue a nation that was in the last gasps. The country was indeed having a bad time, but there was nothing fatal about it. It will recover through the energy and character of citizens who have resumed the habit of minding their own business. Yet it is true that government can and must do a great deal to help these citizens.

For example, government was responsible for our lack of a good banking system, which was something that private citizens could not provide for themselves. Government was responsible, also, for the sad plight of the railroads, because of unjust discriminations. Government had tried to regulate industry and commerce, and its methods required revision. Government, both national and local, had taxed the people oppressively and spent public money extravagantly, without balancing budgets.

The President Plans

Having submitted to the recent experiments with amazing lack of bitterness or resentment, public opinion has resumed its customary place as the authority that controls American affairs. The President himself cannot over-rule it or supersede it. He tries to persuade it, but he is too adroit and too wise to defy it. If some of his underlings lose their temper and talk back, he manages in due time to suppress them. He is open-

minded and is now taking the well-balanced, middle course. In this he will have the support of Congress and the Cabinet—and also of the Courts.

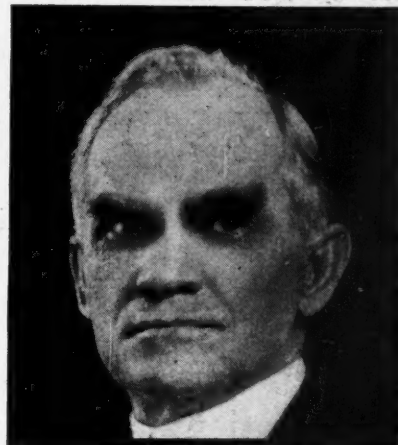
The evidence seems to be that the country is sufficiently recovered to protect itself from worse disasters; and it only needs protection from the further uncertainties of government policy. Meanwhile, everybody is settling down to a hearty willingness to save the face of the New Deal by accepting a sensible program having to do with "social security". Most of this program belongs properly to the states; and to work it out and give it effect must require several years of study and effort. But the outlines are grand, and they appeal to us all in our generous moods, when we renew our faith in the abolition of poverty and the perfectibility of man.

President Roosevelt appeared in person before the Senate and House assembled jointly in the popular chamber and delivered his annual message on January 4 at mid-day. The address for the most part was in general terms, and in restatement of the aims and ideals of all hopeful and progressive minds. He promised to give specific proposals in later messages. By far the most important actual announcement in this message had to do with the unemployment question. Those people on the federal relief rolls who are classed as "unemployable" are to be turned back to the care of the states or localities where they belong.

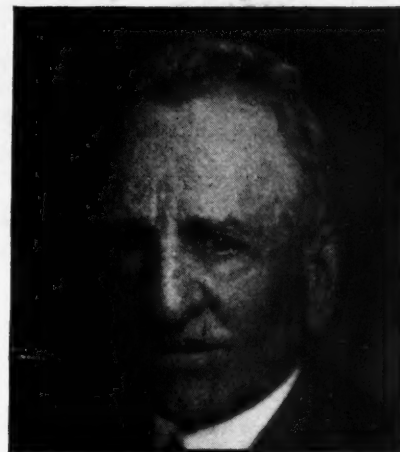
As regards these families now receiving relief in which one or more members could work if they had jobs, it is proposed to abandon the plan of direct payments of money or supplies. Work is to be created for them, by means of a vast program of public undertakings. Congress is expected to provide a fund of several billion dollars for public works, to be placed at the President's disposal without restrictions.

The chief criticism that has been offered, even by those anxious to support the President, merely reminds us that public employment at the very most, as the President plans it, is a small affair in contrast with the magnitude of private employment. To revive the steel industry alone, and to help the railroads get on their feet, would so affect hundreds of other industries as to give more jobs at once

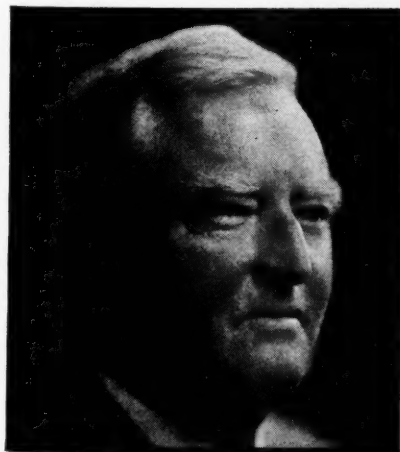
Photographs of Garner, Swanson and Glass, © Harris & Ewing



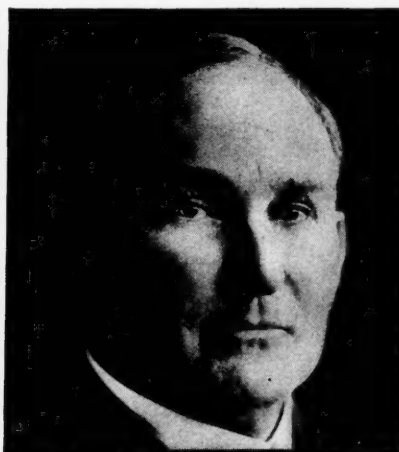
BYRNS



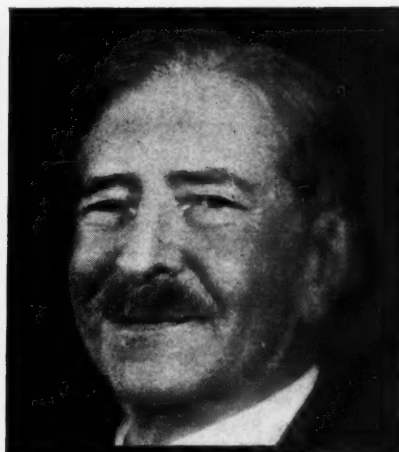
GLASS



GARNER



ROBINSON



SWANSON

to the unemployed than the public-works program of the Administration could furnish in several years.

A return of general business activity would improve agricultural markets and prices. If farmers were offered means to pay off old debts and to start anew, with long-term loans at three per cent (which is entirely feasible), they would know far better how to provide themselves with electric power—if needed by them—than anybody in Washington could possibly tell them. The small cotton farmer, who is thankful if he has one good mule, is not clamoring for an electric power line. But these things will adjust themselves, as the still eager but somewhat vague prophets

of the new day at Washington come in closer contact with the realities of American life.

The President's budget message was presented to Congress on January 7. It estimates total revenues for the present fiscal year as slightly more than \$3,711,000,000. Looking ahead to the following year (beginning with next July) the estimate of receipts is \$3,992,000,000. The actual receipts for the fiscal year that ended in the summer of 1934 amounted to \$3,115,554,049. Estimated total expenditures for the present fiscal year are \$8,581,000,000. Estimates for the following year amount to \$8,520,000,000.

Of these immense sums, more than half are allocated to the purposes of

recovery and relief. No one knows whether or not the facts will shape themselves in close relationship to the budgetary estimates. Congress wishes to work hand in glove with the President, but it does not expect the concessions to be all on one side. If the Administration is to be charged with extravagance, its spending mania is nothing when compared with that which affects Congress. It is the President who guards the Treasury, while the lobbies and special blocs in Congress clamor for unlimited spending, with inflation in one form or another as the inevitable result. If we do not support the President in fiscal policies we must face a far worse alternative.

PEACE AND A STRONG NAVY

Every nation has its individual problem. Armaments increase. The United States cannot work for world peace with a middle-sized navy.

WILL the peace be kept in 1935? Certainly it ought to be, and we are strongly of the opinion that it will be. If it is kept in 1935, will differences be merely ripening, and military preparations be attaining greater completeness, for the deadlier struggle of 1936? In any case, how are we Americans likely to behave, and what are our rights and obligations—or our duties—in the premises? These are questions that intelligent citizens might as well face.

If a European war is imminent, what would be the occasion for it? When peace was made sixteen years ago, heavy financial burdens were laid upon Germany. But no statesman was ignorant enough or vindictive enough to say that Germany could be kept permanently from resumption of her rank as an equal among the great European powers. She had not been conquered by the coalition of her European enemies—Great Britain, France, Italy, Belgium, Portugal—but solely by the later intervention of the United States, together with the negative but influential belligerency of Japan, China, Brazil and Cuba, and the stupendous assistance given throughout the entire war by Canada, Australia, New Zealand and India.

There is no lingering desire in the western hemisphere, in the Asiatic countries, or in the Antipodes to help France, England or Italy to keep Ger-

many under foot. Germany has only to conduct herself with dignity, patience and justice, and to deal as best she can with European countries that are increasingly afraid of her. She is not insane enough to provoke war. If she had been treated with a more intelligent respect for the certainty of her future progress, she would not have been driven to the strange extremity of the present Nazi régime.

The Saar Decides

It is to the credit of the common sense of the German people that a ten-year agreement has been made with Poland. The Corridor arrangement was in response to an American theory; but it was worked out on a plan that was bad because it could never be liked by Germans and could never promote Poland's security. But there is nothing about the Polish Corridor that cannot be honorably adjusted by future negotiations. The year 1935 may be congratulated upon having inherited a good prospect of permanent peace as regards Germany and Poland.

It was inevitable that the inhabitants of the Saar district, holding a popular vote under international auspices on Sunday, January 13, would vote themselves out of temporary French control and demand their return to German jurisdiction. Three

chances were before them. There was no appreciable sentiment in favor of a French connection. A large element, disliking Hitler and the Nazis, desired to remain under authority of the League of Nations until Germany should adopt a different form of government. Many anti-Hitler Germans had taken refuge in the Saar district. But these new-comers were not entitled to vote on the 13th.

France did not try to dominate the election, and the League of Nations justified itself by securing fair play. The Saar settlement was a valuable step in the making of those sensible adjustments that will strengthen the cause of peace, not only for the present year but for many years to come. France was operating coal mines in the Saar in compensation for Germany's war-time record as regards French coal mines. Technical and financial arrangements were agreed upon last year, and Germany resumes full industrial control.

But what of the tens of thousands of columns in American newspapers, during recent weeks, spreading alarm on reports of German acquisition of airplanes? What of the training of German boys and young men in activities that would fit them for military duty? What of other evidences of disregard for the specifications of the Versailles treaty that were intended to keep Germany from regaining a

military position that would make her dangerous again?

In the editorial pages of this magazine in 1919 we approved of the disarmament of Germany for two reasons. The first reason was that the sinking of the German fleet, and the reduction of the German army to a small force deprived of means and weapons for aggressive warfare, were justified as a symbol. They were to be followed in good faith by the allies themselves. The second reason was that the German people would be much better off without a costly navy, and without the exactions of general military service and expense of equipment, for another useless war.

German Youth Revolts

But the allies showed not the slightest regard for their promises. Great Britain reveled in her opportunity for undisputed naval imperialism, and France set forth to dominate Europe with land forces and air fleets beyond the war standards of 1914-18. So far as we have ascertained, Germany has not the remotest idea of inviting destruction by entering upon another war with France or with any other neighbor. But since France, England and Italy (with Poland and other countries as subsidized for military purposes) had refused to take any of the promised steps toward disarmament, German nationalism has been asserting itself. Such conduct on Germany's part is not angelic. It is not wise, in the sense of "otherworldliness." It is merely human and inevitable.

Who but imbeciles could have expected anything else? Germany and France, when Paris is sufficiently worried, can make a mutually advantageous treaty. Since Germany will henceforth do as she pleases on her own soil, and since France—having done just that for the past sixty-four years—will continue to do as she pleases about armament, it would be most useful to both countries if they would agree to accept the obvious facts of independence and equal rights.

The young Germans of today had nothing to do with the Treaty of Versailles. They will flout it, if and when they can. But they have no intention of being tricked into another war. No possible victory would give them anything that would compensate for the sacrifices they would incur.

Germany withdrew from the League of Nations because the League had not strength enough or moral courage enough to uphold her sense of dignity and her right to equality of treatment and position. Russia meanwhile has been admitted to the League of Nations on her own terms, Japan having followed Germany in



SPADES

German man power and boy power which frighten France are now manifest in work armies. Spades may become guns.



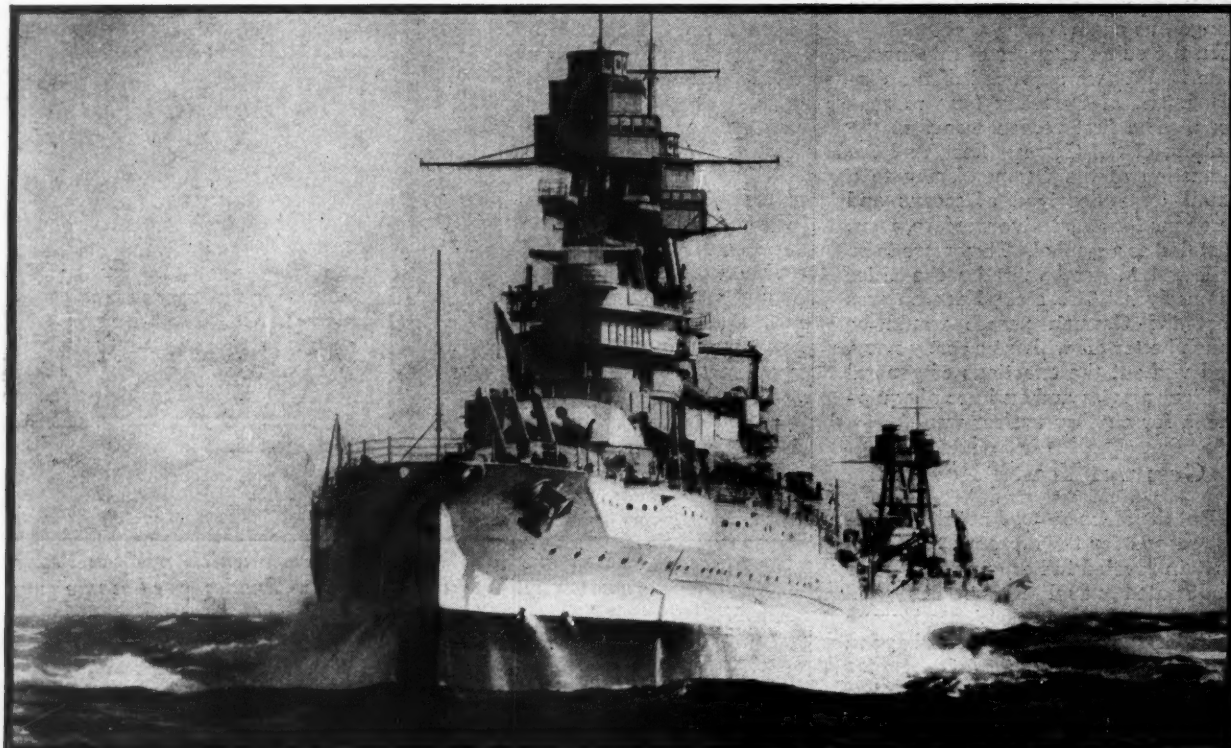
PARADE

France has the largest and best equipped standing army in Europe today. Her new line of forts is impregnable.



FAREWELL

Saying goodbye to their native Japan, now overpopulated, these men will make new homes in Manchuria.



AWAKENING

Uncle Sam's navy has been lagging behind its "treaty strength". This Administration, however, is spending more than a million dollars a day to maintain and expand it.

withdrawing, because of the League's futile efforts to direct the course of affairs in the Far East. When France and Germany set the world a good example—as we are sure they will—by agreeing that they have nothing to fight each other about, and by reaching useful commercial, financial and monetary understandings, Germany will not refuse to resume her place in the organization at Geneva. With France recognizing Germany's equal rights regardless of the Versailles Treaty, no other government would interpose objections.

More and More Italians

More than once since the treaties were framed and signed in 1919, Italy has taken offense and virtually flouted the League and its inner clique. Italy had gone into the Great War on the promise of ample reward, repudiating her alliance with Austria and Germany. She has never been satisfied with her share of the spoils; and the external history of Italy since the Great War has consisted mainly of frictions with France, and of frowns and scowls in the direction of Jugoslavia. But the turn of the year has now seen the happy achievement of a full understanding between France and Italy, as worked out by Signor Mussolini and the French Foreign Minister, Laval. Italy and Spain had never been contented with those less valuable parts of the Afri-

can countries stretching along the Mediterranean coast that were conceded to them by the French.

Italy now gains a large block of desert country, south of what is known as Italian Libya. This possession includes what used to be called Tripoli and Barca, and it lies west of Egypt with the twenty-second parallel as the north and south line separating the Italian colony from the Egyptian kingdom. The added territory lies south of Libya and east of the Anglo-Egyptian Sudan, and is carved out of the vast expanses of the French Sahara. This shift of proprietorship, affecting perhaps 50,000 square miles of desert sands, is not of any great consequence in itself. But it is of decided importance as a mark of improved relations between the two great nations.

France like England has managed to seize a great deal more of the outlying world than is of practical use to her, while Italy has excuses for desiring still more colonial territory. The two countries have today almost exactly equal resident populations, each counting about 42,000,000. But France does not increase, except as Italian and other laborers come for employment. Italy's population, in contrast, has increased by perhaps 8,000,000 during the twenty years since the war began in 1914. France has an area of about 213,000 square miles, with a population equally divided between rural and urban.

Italy has a little less than 120,000 square miles, with something like the same division as France between country and city.

Emigration does not provide an outlet for more than about forty per cent of the annual increase of the Italian people. Mussolini and his associates are eager to secure regions under their own political control where they can plant large colonies. It is not strange that they should have coveted the Dalmatian coast across the Adriatic, or that they should have thought at times of recovering some territory from France.

Germany has a population of about 66,000,000. The slices of territory taken away from her aggregate 27,252 square miles, with a population of 7,000,000 twenty years ago, and probably more than 8,000,000 today. The Saar Basin, now recovered, has an area of 737 square miles and a population of perhaps 900,000.

Austria as reduced by the edicts that destroyed the Austro-Hungarian Empire was left with about 32,000 square miles of territory, and a population that is now 7,000,000 more or less. The establishment of so many small sovereignties with re-arranged boundary lines in eastern Europe ranks high among the blunders and stupidities of the settlements of 1919. The troubles of these little countries are to be noted among the discouraging and unhappy parts of the European record for 1934.



AMBITIOUS

Japan is no longer willing to remain third in naval strength.



SUPERIOR

The spirit of "Britannia Rules the Waves" remains strong—treaties or no treaties.

As now isolated, Austria is a German country; and it would have joined Germany several years ago but for the threats of France, Italy and other countries of the allied group. The triumph of Hitlerism is the direct result of interference with a project that was reasonable on its face. If Belgium and France should at any time desire to form a union, it would be ill-mannered and offensive for England or Germany to object. Letting other people alone is generally a good maxim, whether in private affairs or in those of nations.

The Japs Overflow

Of all the modern nations, the most restricted in agricultural and other natural resources is Japan. In 1930 the Japanese people at home numbered 64,500,000, having gained almost 5,000,000 in the brief term of five years. Very soon they will have added enough to round out a home population of 70,000,000, with about 30,000,000 more in Korea, Formosa and other Asiatic and insular areas under their complete authority. The Japanese have the advantage of knowing to a considerable extent both what they want and what they intend to do about it.

Great Britain, including northern Ireland, has an area comparable with the more closely inhabited parts of Japan, and with a population of about 47,000,000. Great Britain is uncom-

fortable and anxious, with so many more people than domestic resources can feed and employ. Foreign markets and foreign investments are necessary for means with which to employ, and to maintain in comfort, about one-third of the British population. Japan is under similar pressure, for the bare necessities of life. During recent years the Japanese have speeded up their industrial production in a way that baffles the manufacturers and merchants of Great Britain and other countries.

During the past month the British authorities have announced something like completion of their attempt to devise a framework of government for India. Shortly before the opening of the nineteenth century they were extending their authority in the East Indies, and transferring to the Crown the administration that had been vested in a great commercial and trading corporation known as the East India Company.

India in 1919 was allowed to have independent membership in the League of Nations. But when the foremost British representative and advocate of the League was asked if disputed questions between England and India might not be referred to League arbitration, he begged the question by declaring that such matters lay inside the ring fence of the British Empire, and could not be dealt with at Geneva.

Troubles may grow out of the fact

that nations arrive at their need of colonies and their imperial aims at different times. Germany reached that stage later than England, but her needs were just as pressing. Japan is now extending her spheres of influence and control over immense areas of northern Asia, because of what she regards as sheer physical necessity on the part of her teeming and hungry millions. Her position in Manchuria and her claim of special relationships in China are more logical than any claims that England has ever had to rule over the three hundred million people of India.

Is China Better Off?

Manchuria with about 30,000,000 Chinese immigrants was a land of unprotected peasant farmers. They were over-run by bandits and marauding companies of irregular soldiery. Japan had economic interests that were vital, and proceeded to give order and set up a government in this distinct region now called Manchukuo. Under like circumstances, the British or the French would have done all this in a far more aggressive manner. The French have possessed themselves of a great domain consisting of what were once provinces of South China and Siam. What the French and English were doing at an earlier time without any excuse whatsoever, the Japanese are doing now for reasons that they uphold with intelligence.

The League of Nations supported the traditional claim of the Chinese Government to sovereignty in Manchuria as part of the outlying Chinese Empire. But China had nothing left but theoretical rights which it could not exercise. We have the highest regard for the Chinese people, and would like nothing better in the world of affairs than to see them overcome the obstacles that lie in the way of their governing themselves, under a stable and responsible authority.

It has not yet been shown that Japan's energetic prosecution of definite plans is likely to be otherwise than beneficial to China in the long run. China has no enemy, and her future is altogether in her own hands. If Asia is destined for some time to come to be parcelled out among the military empires, we should be inclined to the view that the Japanese can present much better excuses for their plans than the English, the French or the Russians.

Naval Rivalry Grows

This leads us to the burning question of naval rivalry, and the bad prospects for next year's naval conference. Having lived up faithfully to her agreements under the Washington Treaty of 1922, Japan announces that she will not renew the expiring

treaties, in so far as they assign to her an inferior status in comparison with England and the United States. She will claim the right to as large a navy as any other country. France has made a similar announcement. Such claims cannot be denied, nor is any other government justified in offering criticism or warning.

Are these decisions of Japan and France unfriendly to the United States, or in any manner injurious to the cause of peace? Our answer is in the negative, to each half of the foregoing question. Japan has as good a right to a large navy as any other country of imperial pretensions. In due time the world will drive all navies from the common seas except an international patrol force. Such a force will be managed under a code of maritime international law, by agreement of all maritime peoples.

President Wilson's experiences in Europe led him to the conclusion that the world's peace, for the time being, required an American navy larger and stronger than any other. We began to build it, and were well on the way. We sacrificed that plan at the Washington conference. It was probably a mistake to abandon it, though a generous one on our part.

As we were making our fatal approach to the great war, an eminent American in a public speech urged

that every warship we possessed should be scuttled and sunk in the ocean. This seemed quixotic, but it was logical. It would have kept us out of war, and on good behavior as regards our professed neutrality. If we had meant business in 1914 and 1915, we would have spent several billion dollars upon our army and navy and would thenceforth have maintained our neutral rights. This also would have kept us out of war.

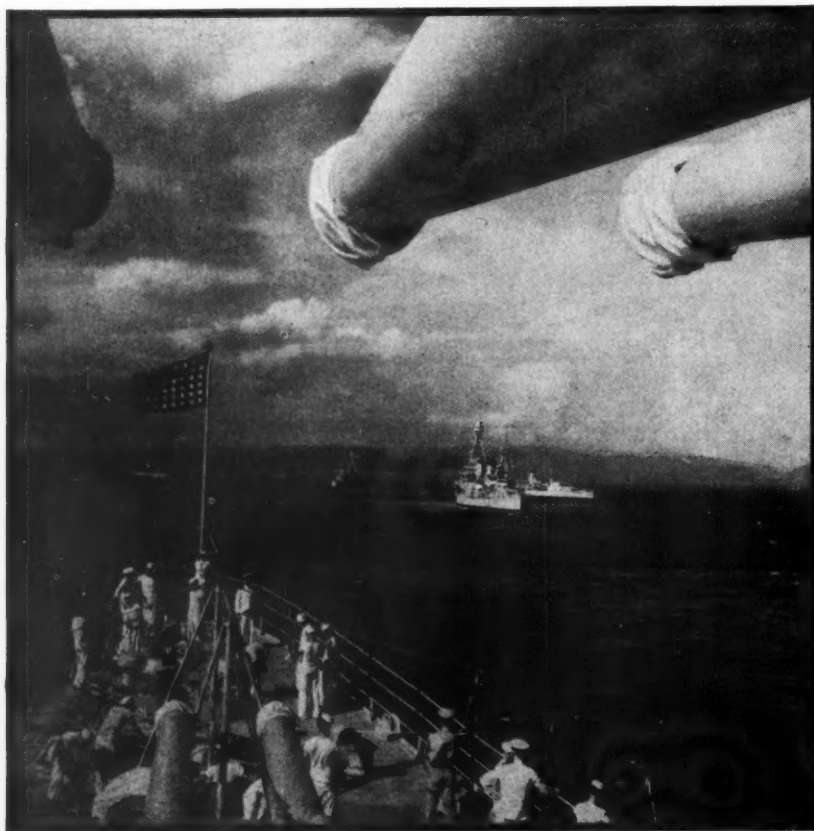
No Middle-Sized Navy!

No government will suspect the United States of aggressive purposes. We should now face the facts, and build our navy up to imposing strength, or else we should dismantle it. Any middle ground would be foolish. We could abandon further building, and scrap all our capital ships, without the slightest fear of the British navy or the Japanese navy. Neither of them would injure us in any way.

Great Britain has no more reason for a large navy than has Holland. Neither has Japan. The United States happens to be the only country that can afford to build a navy large enough to bring the rival Empires to consider the only solution, namely, that of complete outlawry of all navies. We stand, therefore, for the big American navy or for none. If our navy lapses, the League of Nations will end and Imperialism will revert to the policies of earlier centuries, for a period at least, with undesirable consequences.

Cheese-paring disarmament is not feasible in Europe. Mr. Norman Davis has played his part in such a way as to be worthy of high praise and honor. But the various proposals could not meet the real issues. The pressure of civilized public opinion must compel nations to avoid war by settling disputes with their neighbors in friendly agreement. Disarmament will follow such adjustments. It will not precede them.

Japan alone among the powerful and solvent nations does not owe the United States a debt deliberately contracted but now contemptuously repudiated. Japan pays for her own aggrandizement, and does not build her Empire with billions borrowed abroad upon which she does not intend to make payments either of principal or interest. Of all the great powers, therefore, Japan stands first as having been the most faithful and the most honorable in dealings with the government of the United States. We have no cause to quarrel with her. Nor will we dispute with any European Empire. But we will exhibit sad ignorance of these times if we advocate a middle-sized navy.



GUNS

Surveying Guantánamo Bay from the deck of the Pensacola. Disarmament can only follow pressure from public opinion.

A WOLF IN SHEEP'S CLOTHING

BY GUY EMERSON

A hue and cry for complete government control of banking is heard in Washington. Is this merely a new device of the inflationists, or is there any real need for a central bank?

THERE IS MUCH talk today of a central bank, in the form of a completely government-controlled institution. I may say, merely as a personal opinion, that for all practical purposes we have what amounts to a government-controlled central bank in the present machinery of the Treasury Department and Federal Reserve system.

No one will deny that corrective and regulatory laws are needed where human beings live together in society. But a great volume of corrective legislation relative to banking has been passed in recent years. It is now being tested in practice. Even in less difficult times, the practical application of new laws takes years. There is a legal saying, that close cases make bad law. It is equally true that emergency legislation is likely to be imperfect legislation. We should be very sure we know what we are about before we attempt to correct by law the deeper and more vital problems of American banking.

Our Federal Reserve

Whatever the economic arguments may be with regard to government control of public finance, the fact remains that in every country, during a period of war or other serious crisis, Government has in fact controlled its central bank. Many thoughtful people believe that such a result is more or less inevitable.

There has been considerable discussion in the press of our present central banking machinery, the Federal Reserve system. It may be pointed out that this system was adopted twenty years ago to meet definite needs. It was the result of the most thorough study, here and abroad, by a federal commission, whose members were men of varying viewpoints and great ability. It embodies the features of a central banking system which are adapted to American needs. The Fed-

eral Reserve Banks have been ably managed, and have made a great contribution to our banking structure in its service to the public.

Many believe that the shortcomings the system may have are chiefly due to the fact that not enough strong men have been appointed to the board in Washington. The new Governor of the Board is a trained banker with seasoned executive experience. If he could be supported by a board of from three to five, instead of eight, with no ex-officio members, with adequate salaries and long terms of service, the Board would be more likely to achieve independence of thought and of action than is otherwise possible. Such a board, a wise supreme court for finance and banking, could, over a period, exert a far-reaching influence for good.

Close coöperation among the Treasury Department, the Federal Reserve Board, and the Federal Reserve Banks results in a high degree of centralized control over domestic and foreign banking operations. Reserves are pooled and, through rediscount operations and otherwise, are made available to banks in need of additional funds. Control is exercised over the money markets through rediscounting operations and securities transactions; a market for government bonds is provided by the Federal Reserve Banks and in commercial banks. Foreign exchange operations are supervised and movements of precious metals are controlled. Why, then, should some sentiment favor a still further centralized control over banking through the establishment of a government-owned central bank?

The proponents of the central bank base their case upon a variety of arguments. They urge that such an institution would provide an unlimited market for government bonds, and would thus free the Government from the necessity of depending upon com-

mercial banks or Federal Reserve Banks to provide a market for its securities. Furthermore, the Government could in effect borrow without cost to itself, since the interest paid on the bonds would be received by another agency of the Government.

The gold and silver now owned by the Treasury could be transferred to the central bank, and any losses incurred by this agency could be met, in part at least, by a revaluation of these precious metals. It is urged, further, that the central bank could assume and consolidate the various governmental lending operations now distributed among the RFC, FCA, PWA, FHA, and AAA.

Finally, by virtue of its extensive lending operations, the Government is today the world's largest banker. The Postal Savings system does an extensive deposit business; the Government is a stockholder in 6,000 commercial banks, and is interested in the guarantee of the deposits of more than double this number. The creation of a government-owned central bank would be but a tangible recognition of the preëminent importance of the Government in American financial life at the present time.

Inherent Fallacies

Even a short statement will suffice to indicate some of the fallacies inherent in this line of argument. Commercial banks have purchased substantial amounts of government securities in recent months, and have given no indication of an unwillingness to purchase additional securities. The Federal Reserve Banks have increased their holdings of "government securities" by about 1¾ billion dollars in the last three years. Short-term government obligations have been offered in recent months at prices which yielded the investor the merest fraction of 1 per cent per annum on his

funds; long term obligations have been refunded on terms favorable to the Government.

Although the stock of the Federal Reserve Banks is owned by the commercial banks which are members of the system, the stockholders are limited to a return of 6 per cent on their investment. Within the last eighteen months one-half the accumulated surplus of the Federal Reserve Banks was appropriated for the benefit of the Federal Deposit Insurance Corporation. Both in the sharing of their profits and in their management the Federal Reserve Banks are not conducted as private institutions, but rather as semi-public agencies.

The "profit" which resulted from the revaluation of the gold dollar in January, 1934, accrued to the Government; the "profits" of any further revaluations will likewise accrue to the Government whether the stocks of precious metals are held by the Treasury, as at present, or by a government-owned central bank.

Where Lurks the Wolf

Recent American financial history strongly suggests the wisdom of separating commercial banking (or the furnishing of short term funds to business enterprises) from investment banking (the furnishing of capital for longer periods of time). Practically all of the Government's lending activities have been of the latter category. To combine long-term lending operations with the control of commercial banking into a single agency would be to disregard the lessons so bitterly learned at so high a price during the past few years and would be directly in opposition to the objectives of recent legislation specifically intended to separate deposit and investment banking.

The Government can bring about desired reforms in the existing banking structure through the control exercised by virtue of its ownership of bank stocks, through the system of bank examinations, and through the general supervision which it exercises over bank incorporations and operations. It is not necessary to scrap the existing banking system in order to improve it.

From the angle of its part in our fiscal machinery, the central bank discussion is one more of form than of substance. But behind it there lurks a wolf in sheep's clothing. From a study of public statements made on this subject during the past few months, it would appear that the motive behind most of the advocacy of legislation leading to a central bank is simply and solely that of inflation. The inflationists apparently believe that a central bank would be a money

mill or a credit mill which would stimulate business, and in addition, would by some occult process make the rich poor and the poor rich.

This last idea has occupied the minds of men since the days of Egypt, and probably will continue to do so. But it is a difficult idea to discuss rationally, and it is consequently the more dangerous, because its motives and impulses are emotional rather than economic. It has its roots in human dreams. The essence of it has been neatly expressed in the quatrain of A. E. Housman, the British poet, when he wrote:

To know that two and two are four,
And neither five nor three,
The heart of man has long been sore
And long 'tis like to be.

Americans, in the past, have usually been able to add two and two, and get the right answer. There is ground for hope that their good sense will prevent the will-o'-the-wisp of inflation from imposing its madness upon them either through the machinery of a central bank, or the nationalization of banks, or otherwise.

The banker must try to be exact in talking of inflation. He must be willing to consider the possibility that our present unbalanced budget does not involve at this time a type or a degree of inflation which cannot be brought under control. He must not merely cry "wolf". He must preach a balanced budget, yet he must co-operate actively with others in and out of the Government who all agree that the budget should be balanced, but are trying to find out how and when it can most wisely and effectively be done.

If the banker believes that those in charge of national policies are ready in these matters to show courage where courage is needed, and are fully alive to the disastrous results which may follow an unsound financial policy, he may well withhold abstract criticism, which may easily degenerate into mere nagging and ill-temper.

Socialization

Collateral with the discussion of a central bank is the suggestion of socialization or nationalization of commercial banks. It is urged that the commercial banker has too much control over credit, and likewise over deposit currency.

It is an interesting fact that the socialization of banks was the chief issue in a recent national campaign in Australia, the principal reason being that the prices of wheat and wool are low, leading to the suggestion that the country could pull itself up by its bootstraps through inflation.

Because the bankers opposed inflation, the bankers must be deposed. When the issues were clearly set before the public the suggestion was defeated, not because the public had any particular love for the bankers, but because the people of Australia were given vivid evidence of the failure of inflation to produce prosperity in other countries. And also because the business men of Australia, both large and small, apparently did not feel that they would be as well off to borrow their money from a system of governmental bureaus as they were in borrowing it from privately operated banks. The practical implications of this proposal call for careful consideration by the American people, not in the bankers' interest, but in their own.

That it has a clear-cut political background is shown in a recent book called "What Everybody Wants to Know About Money". In a chapter on nationalization of banks Mr. G. D. H. Cole of Oxford, who writes from the Socialist viewpoint, says:

"No considerable advance toward the effective socialization of the economic system is possible while deposit banking is left in private hands."

I am not suggesting that the idea is wrong because it is part of the Socialist and Communist programs. It is inherently wrong. But it is important that the political motives behind the discussion should be thoroughly understood.

Banking Today

The closing of a large number of banks, and the unsettlement which resulted, have caused bankers to lift their heads from their ledgers and view their business in perspective.

It is important also that the public should have a fair idea, rather than mere prejudice, with regard to their banks as they are organized and operated at the present time.

In its consideration of our banking structure, the public may well take a little pride in the fact that hundreds of American banks have survived the unexampled difficulties of the past few years in unquestioned strength and capacity for service. Many institutions have sound records going back over one hundred years.

Our banks as a whole are today providing economical and useful checking service to millions. They are acting as custodians of the savings of the public, and giving help and counsel, in city and village, to the men and women who seek it, in the same intimate way that the doctor or lawyer is consulted.

They are lending billions to industry and agriculture, and have addi-

(Continued on page 69)



HEIGH HO-O-O

Jumping suddenly out of bed to shut off an alarm clock may be a sign of resolute nature, but it places too much strain on the circulatory system to be recommended.

The cruelest punishment mankind has yet devised is keeping one from sleeping, but many human beings inflict it upon themselves nightly. Science has only partly explained the art of sound sleeping.

DID YOU SLEEP WELL?

BY DONALD A. LAIRD

SINCE 1923 we at Colgate University have been experimenting—year after year—to find out more about sleep. Records have been accumulated and studied of the sleep of actually hundreds of persons, men and women, as well as children and their grandparents.

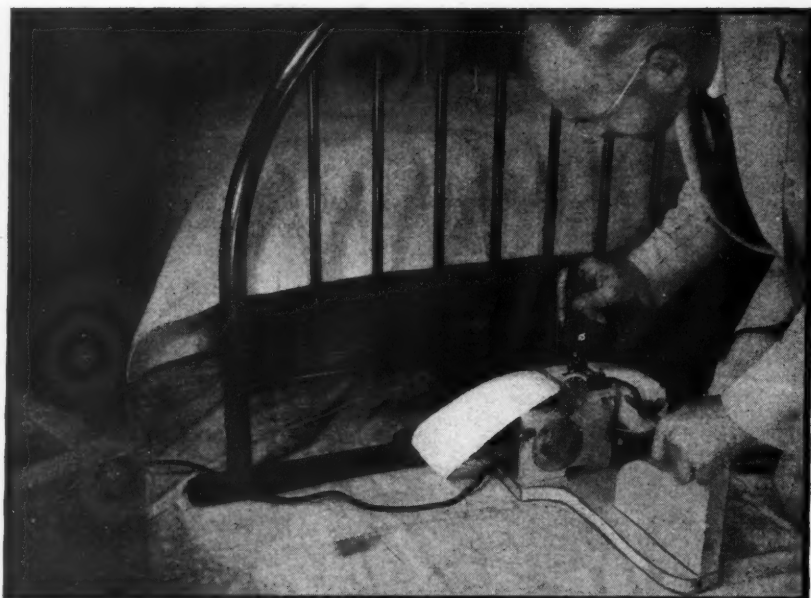
It is the enormous differences in the sleep of apparently average persons which interest us more than theories about why people sleep. The practical problem of how to get good sleep faces every healthy person, and it is this we have studied most, feeling certain that more people will benefit as a result, and hoping that we may some day strike an unexpected discovery which will unlock the mystery of sleep itself.

When we recall the many stories related about students sleeping in classes, it is natural to infer that any college professor has a splendid opportunity to study sleep. For two interesting reasons conditions at Colgate are such that the opportunity here is much better than enjoyed by the average professor. For one, we are located in a small country village, thirty miles from any of the better known forms of sin. For the other, our students are required to attend daily chapel exercises.

The last few years our work has been helped by an unusual laboratory building, the only *sleep laboratory* in the world. Twelve persons a night can be studied in this laboratory, each sleeping in his own bed on

the second floor. Sound-proofed walls and floors prevent the sleeper in one room from disturbing the others. Double sash at each window kept tightly closed during the night keep outside noises from disturbing our experiments, while air-conditioning fans pump fresh air into the sleeping chambers and exhaust the old air through sound-proofed ducts.

Each twist or turn of these twelve human guinea pigs, sleeping in what someone has called vacuum-bottle rooms, is recorded throughout the night by instruments located on the first floor. Although these special instruments are strictly Yankee in origin, they have been given an appropriate Greek name: *somnokineto-graph*—or sleep-movement-recorder.



RECORD

Dr. Laird gets the home model somnokinograph ready for use. The result appears below. The finger points to 3:20 A.M. At that hour the sleeper got up to get an extra blanket. Compare the many movements (to the right) while he was cold with the quiet sleep he had afterward.

We had to design and build them ourselves.

At night we watch these instruments draw in red, green, black or blue ink on a slowly moving paper tape a record of each time a sleeper turns his head or moves a foot, as well as the more severe shifts of position when he turns entirely over. Our average somnokinograph will record all of these movements, and even the slight movement of talking in one's sleep—although it will not yet record the secrets being talked over. Paper tape 15 inches wide is used on a more sensitive instrument, with which we are making studies of the breathing of sleepers.

Our instruments do not disturb the sleep of our subjects. Nothing is attached to the sleepers for these records of their movements. They sleep in their usual way, in perfect freedom, in whatever sort of bed we happen to be using. A "magic disc" is attached to the top of the mattress (at a point just slightly above where the hips rest) by a flexible wire which passes directly down through the mattress to the recording instrument. The wire is kept at a slight

tension. The secret of its sensitivity is in taking off the movements from the top of the mattress, where the sleeper is. Older instruments were attached to the springs, or placed under one leg which was jacked up; many sleep movements were absorbed by the mattress and springs and were not recorded.

The Sleep Meter

Not even the home is inviolate from our studies. We are now using a special "home model" somnokinograph which we can surreptitiously slip under anyone's bed, so don't be astonished should you take a precautionary look some night and discover one of these aluminum and brass instruments. A few days ago a charming married woman, who learned that this instrument was operated by an electric clock motor, inquired of me about borrowing one to put under her husband's bed so she would know what time he really came home from lodge meetings. I pointed out to her that the tape moved $\frac{1}{4}$ inch each minute, and that she could read from the tape that he

got in bed, say, two inches after midnight.

We have gone to all this work, and had all this fun, hoping to find out how to improve the quality of average sleep. We have found that the average person moves from 10 to 12 distinct times each hour. Four to eight of these movements each hour are fairly complete changes of position, such as turning from the back to one side.

The soundest sleeper we have yet found moved 4 times an hour. The most restless sleeper we have studied moved nearly 20 times an hour, not just for one or two nights, but steadily night after night for a full month of observation. Strangely enough, Phillip, who moved twenty times an hour, thought his sleep was average. Yet this may not be exceptional—quite likely many others who find no fault with their sleep are spendthrifts of it, believing they sleep like a kitten while they are really nocturnal merry-go-rounds.

No Sound Sleepers

There are several credible theories of why we sleep. There are some facts in favor of each theory, but no single one gives a master key to the mystery, although there are practical lessons to be found in each.

There is one theory that we sleep because in some way our brain has its supply of blood cut down. This would make sleeping a variety of fainting. It is true that the entire circulation is lessened while we sleep. That is why rest and sleep is a common prescription for people with high blood pressure.

Merely lying down in a horizontal position will lower blood pressure, and when we sit up it jumps 15 or more points—that is why it is wise for us to get up gradually; jumping suddenly out of bed to shut off an alarm clock may be a sign of a resolute nature, but it places too much strain on the circulatory system to be recommended. Make a simple resolution to get up gradually rather than abruptly—which is likely something most of us would rather do, anyway.

Fiery, auburn-haired Queen Elizabeth solved this dilemma by sleeping surrounded by luxurious pillows so that she slept sitting up as befitted the daughter of Henry VIII. One cannot help wondering whether keeping her blood pressure a bit higher through the night by this posture may not have made her more irascible and ill-tempered. We have found in the laboratory that people move more and do not feel as well rested after they have slept sitting up.

There are more practical applica-

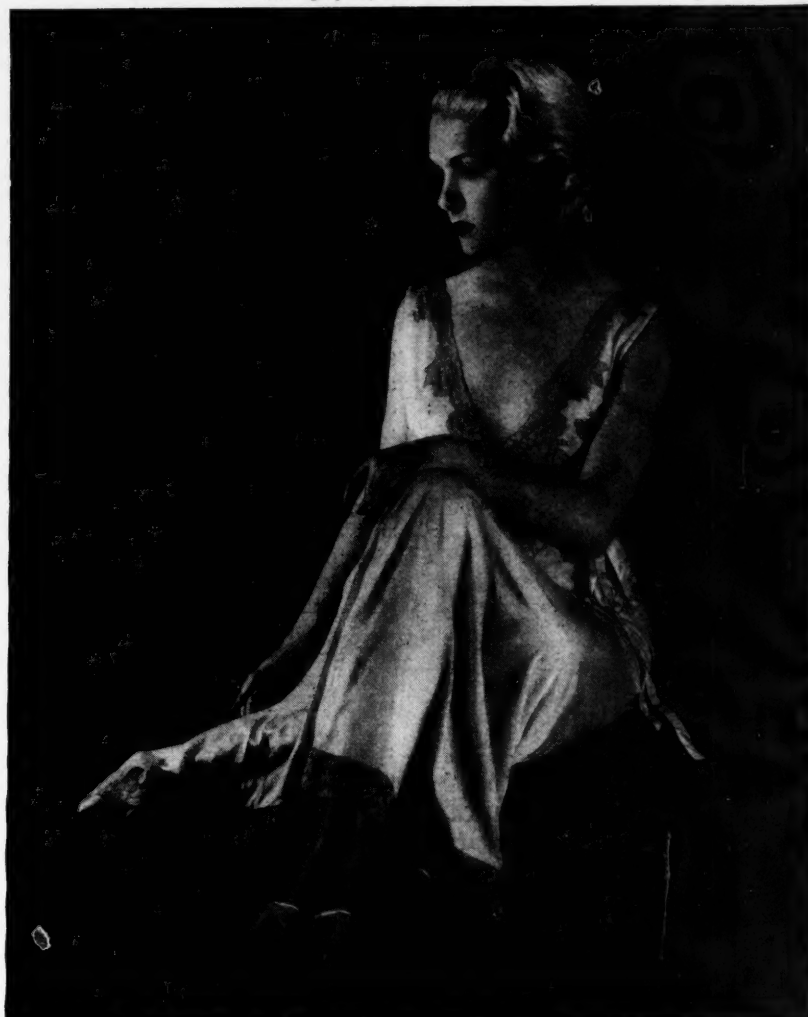
tions of this brain anemia theory of sleep which are worth knowing, even though the theory may not be the final explanation of why people sleep. Each of us, for example, is fairly comfortable in a room while he is awake. Yet if you should fall asleep you would be cold, due to the drop in circulation. That is why we need warm coverings on our beds. We can understand now why Paris may not approve but science and commonsense favor winter sleeping garments of some warm material, which snugly cover the shoulders.

In this connection we should consider a mistake commonly made in cold weather. As the mercury lowers, more and more blankets are piled on top of the bed. That is a mistake. They should be piled under the bed. When you understand that, it will not be as ridiculous as it may seem at the moment.

Why We Get Cold

We get cold on winter nights because the mattress is cotton, and cotton is cold. As we pile wool blankets on top we are merely making one side warmer while the other side next to the mattress by contrast seems all the colder. The commonsense thing to do, verified by laboratory tests, is to put a warm wool blanket under the bottom sheet, perhaps even two blankets. Then with the same surface temperature on each side, we will sleep warmer and better.

In summer, a good way to keep cool is to sleep because of the lowered circulation it brings. The problem is to get cool enough to get to



ALLURE

Will the scientist's plea for warm nightgowns in winter persuade a woman to discard a garment like this one?

Kaufman-Fabry

H. Armstrong Roberts



RIGHT

While lying on his side a pillow is a comfort and an aid to restful sleep, permitting his arms to relax.



WRONG

The pillow strains her neck and spine while on her back.

sleep. (Patients with a fever have very restless sleep.) A hair mattress is the coolest mattress. Inner spring mattresses are next in coolness. A pillow of curled hair will help, too; it will be harder than a feather pillow, but if it is of good spring hair, and not too thick, it will help sleep by keeping the head cooler.

Another theory has it that we sleep because of the action of a brain center which controls sleep, just as one center in the base of the brain controls breathing rhythms, another controls heart action, and so on for hosts of well established centers which can be located in anyone's nervous system with uncanny accuracy by a skilled neurologist. The brain anemia theory, recall, would make sleeping like fainting. The brain center theories, to help you remember, would make sleeping like sneezing or having the hiccups.

What Narcotics Do

Some narcotics and anaesthetics may work through such a brain center. Some glandular or chemical substance may, conversely, be the cause of excessive sleepiness shown by some persons who sleep fourteen hours at night and still fall asleep while playing bridge or performing on the piano. In such instances it may be some brain center activity which makes them so eternally drowsy. It has been recently found by Dr. David C. Wilson and Robert F. Watson, at the University of Virginia, that ephedrine, which we sometimes spray into our nostrils when bothered by a cold, converts these perpetually drowsy people into wide-awake go-getters.

Next we come to the toxin, or poison, theory of sleep. This is based upon the proved facts that as we use our muscles during the day, either in walking or working, a residue of chemicals is left behind as a result of changes which take place when a muscle is contracted. The theory is that sodium lactates which are left behind actually poison us, and that sleep is really little else than a stuporous condition.

Lactates play some peculiar tricks on us. We have been painting porch furniture, let us say, using the brush for several hours in our right hand. It is mostly the right arm that is producing an excess of lactates, but the blood stream carries much of this excess away to other parts of the body. So we discover, to our own discomfort, that working with the right arm may actually make our left leg tired, if the lactates carried through the blood happen to strike hardest there. But they may strike

hardest somewhere else and, for instance, give us a real pain in the neck. This tells us why blood from an exhausted animal, when transfused in small amounts into the circulation of a well-rested, peppy terrier, makes the terrier tired and lazy in a few minutes.

Two important suggestions arise from the facts underlying this toxin theory of sleep. For one, it is wise to take short resting, or breathing spells, every half hour or so, to allow some of this so-called lactic acid to be dissipated before an undesirable excess accumulates. We think of a bed as something for use only at night, but when we are exercising at all strenuously or steadily we need occasional 15-minute periods of thorough relaxation to keep a favorable balance in our personal account with lactates. If not a comfortable and buoyant bed, then a comfortable chair—and many chairs are better for relaxation than sagging, lumpy, or stiff beds.

The second suggestion is to try to relax muscles during sleep, and as soon as you strike the cool sheets of the bed. Perhaps half of the benefits of sleep are due to the profound relaxation of muscles during sleep. If we lie languidly on a comfortable bed, although we may be awake, we are nevertheless obtaining a large measure of sleep's real benefits. Relax, even if you do not sleep all night, and you will be just about as refreshed as if you had taken eight hours of the elixir of real sleep.

Relaxation

Some hold to the theory that sleep is caused entirely by relaxation. The limp arms, relaxed jaw muscles, even the relaxation of the blood vessels and the soft palate, they look upon as the cause of sleep. Certainly relaxation is *essential* to restful and refreshing sleep.

Relaxation produces results, often more annoying than amusing. The relaxation of jaw muscles and soft palate, for example, is the chief cause for that discordant midnight music, sometimes called snoring. The warden at Joliet prison recently decided that it is cruel and inhuman punishment to have snoring prisoners disturb the sleep of others; so he set aside separate quarters for those who relax so profoundly and sleep so soundly that they snore without waking themselves.

Relaxation of neck muscles during sleep is one thing that makes it hazardous to sleep sitting up, as did Queen Elizabeth. Unless the head is supported gently yet firmly by a wing back chair or deep pillows, it will fall to one side or the other, or drop

forward until the chin presses against the pectoral bone—which not only is painful but also encourages crepey skin and a double chin. At that, it is not one whit worse than trying to sleep in a sagging bed.

If our bed is lacking in resiliency, we will likely go to sleep on our backs, as in that position there is no trouble finding a comfortable spot in which to place the downward arm so it can relax.

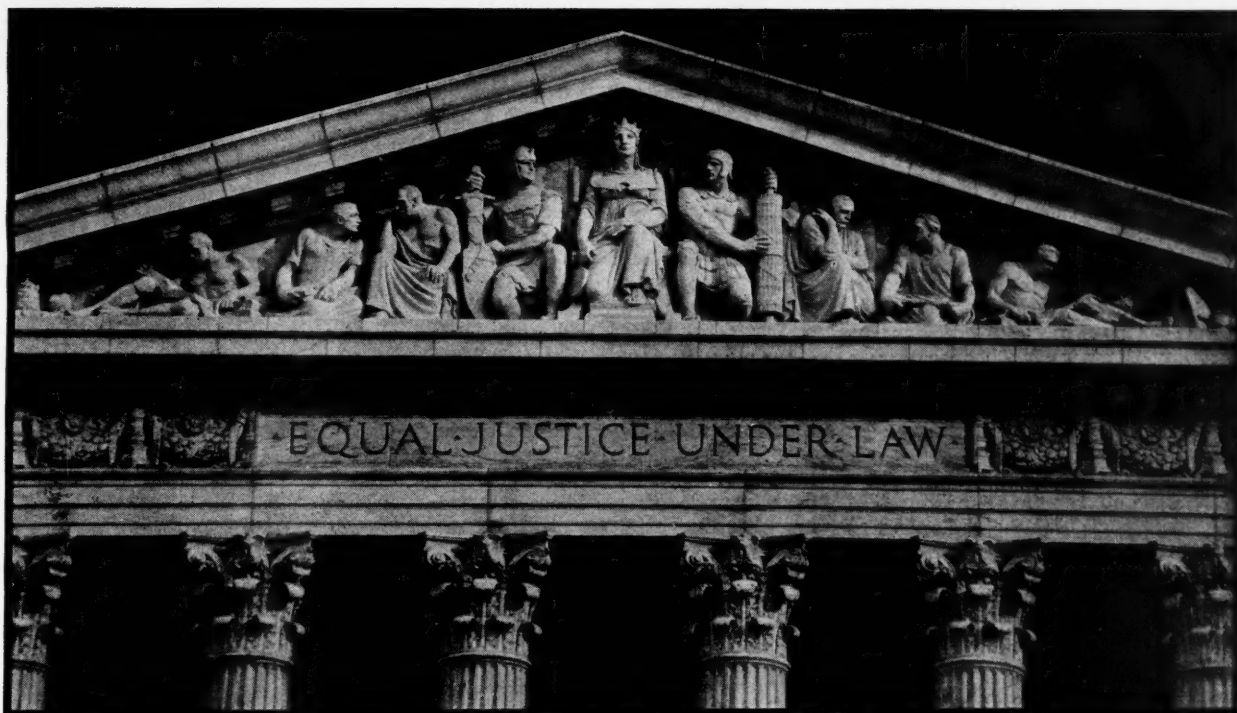
But we are also likely to have a pillow under our head, and that is as undesirable as sleeping bolt upright in a chair with our head lopped forward. A mannekin, drawn to anatomically correct scale for the average man lying on a hard surface, shows his spinal column in proper alignment when there is no pillow under his head. With a pillow there is strain on neck muscles and spinal column. We would not think of walking around with our head bowed forward, and we should not think of sleeping that way.

If people would remain on their backs all night long, they could sleep sensibly without a pillow. But we find that almost one-third of the movements made each hour of sleep are caused by turning from back to side, or from one side to the other. When we sleep on our backs we should not use a pillow, and when we are on our sides we should use one.

Here is how I have tried to solve this dilemma for myself. I sleep alone in a full-sized double bed. There are two pillows on it. They are placed end to end, with a gap of about four inches between their ends. When I am on my back, my head is in the space between the pillows, my neck muscles unstretched and my spinal column in a natural line. When I turn to one side or the other, there is a pillow waiting to support my head and keep muscles and spine in the same proper relationship to the rest of the body.

How One Sleeps

We recall that the circulation is greatly decreased during sleep. As we lie in one position any length of time, the pressure of the weight of the body forces parts of our skin into firm contact with the bed, and so presses on the superficial blood vessels that their circulation is impeded. If we did remain in the same position all night long we would find, on getting out of bed, that the skin which had been in contact with the bed was numb. That is the reason why invalids or convalescents develop bed sores. We all might have these if we were not helped by a
(Continued on page 70)



UNTARNISHED *The simple words above the entrance to the new Supreme Court Building are significant of the abiding faith of a nation in the integrity and justice of its highest court.*

WAITING FOR THE FINAL VERDICT

BY RAYMOND CLAPPER

Many men in many occupations believe that the New Deal has violated their Constitutional rights. What are the issues now being argued brilliantly before our highest tribunal?

THE UNITED STATES Supreme Court is waist-deep now in consideration of New Deal legislation. It is engaged in establishing precedents which will govern the advance of the federal state into areas of social and economic policy hitherto regarded under the American system as sacred to the individual. It is writing new Constitutional law which no doubt will be as controlling over the destinies of the new phase into which the Government has passed since the beginning of the Roosevelt Administration as were the precepts of the court during the formative period under John Marshall.

Once more, as was the case during the time of that great Chief Justice, the scope of federal function is being

examined. So momentous are the questions inherent in the New Deal cases that this again becomes one of the decisive periods in the history of the Supreme Court. Something of the nature of the men upon whom this great judicial responsibility falls was related in the January number of the *REVIEW OF REVIEWS*. It now becomes pertinent to look for a moment at some of the issues that are being laid before it as a result of the Roosevelt experiments.

A year ago the Court had its first contact with the legislative upheaval growing out of depression problems when two state statutes came before it—the Minnesota Mortgage Moratorium Law and the New York Milk Control Law. Both of these statutes,

each marking a vast step in extension of state authority, were upheld by the Court in five to four decisions. The Minnesota Mortgage Moratorium Law involved the right of a state to interfere with the obligation of a contract while the New York Milk Control Law involved the right of a state to fix prices. In both instances the Court, by a margin of one vote, upheld these unprecedented extensions of state authority on the ground of public interest. Many inferred from these decisions a friendly attitude toward federal legislation of similar scope. But it must be emphasized that in those two cases state authority was involved whereas in the New Deal legislation now coming before the Court the questions concern federal

authority which is quite a different matter under the Constitution.

The Court's first contact with New Deal legislation resulted in some shock to the nine men in black over the casual promulgation of executive orders and codes which, under NRA, have the force of acts of Congress, and carry criminal penalties for their violation.

The case before the Court, the first New Deal litigation to be argued, was an appeal from the Amazon Petroleum Corporation and the Panama Refining Company, both operating in East Texas, from a decision of the Fifth Circuit Court of Appeals refusing to enjoin federal officials from enforcing regulations limiting their production of oil.

One point in the Amazon case displayed the chaotic and haphazard circumstances attending the issuing of executive orders and the promulgation of codes and amendments to codes, all of which, under the Recovery Act, have the force of law.

The Amazon company had sought to enjoin officials from enforcing a certain section of the petroleum code. They were successful in the lower court, lost in the appellate court, and were moving to bring the issue to the United States Supreme Court when it was discovered that the section of the code involved had remained in force only a month and had been dropped out in revision. Neither party to the case, nor the court, knew of this change until a year later. In another case the Government obtained indictments against four Texas companies for conspiracy to violate this same provision, again not knowing that it had been dropped.

During the hearing before the Supreme Court, Harold M. Stephens, Assistant Attorney General, spent

some embarrassing moments trying to explain this amazing situation.

Mr. Stephens admitted that the trial court had sustained a demurrer to the indictments on the ground that the nonexistent section of the code was unconstitutional. The Department of Justice appealed this decision to the Supreme Court. When the true situation was discovered, the government withdrew the case.

Justices questioned Mr. Stephens as to the manner in which executive orders were issued and drew from him the admission that it was difficult to obtain certified copies of executive orders and codes from NRA. One authority reports that some 700 executive orders from the White House and more than 3,000 Administrative orders from lesser officials have been issued and that between 5,000 and 6,000 persons, "by a sort of apostolic succession" from the President, have authority to make regulations carrying the force of an act of Congress.

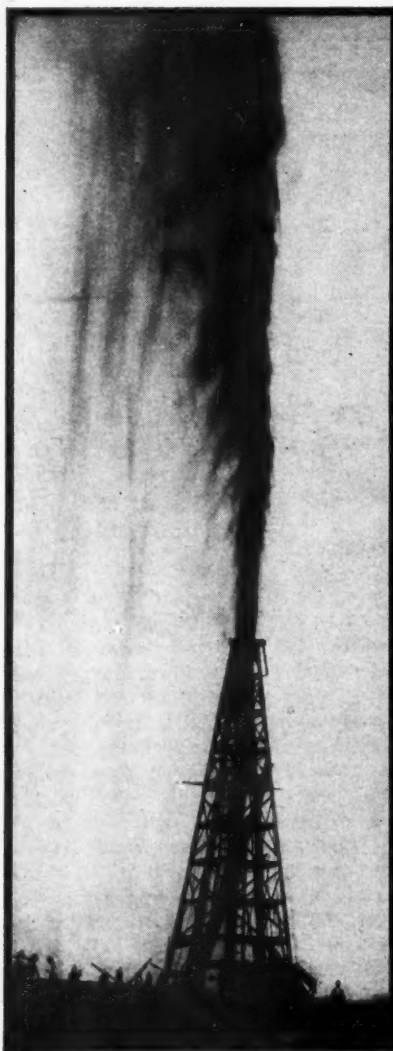
Any one of these, potentially, may come before the Supreme Court for a test.

This in itself poses a fundamental question concerning the scope of administrative law. The Brookings Institution reports that some sixty administrative tribunals are making judicial decisions affecting private rights, and that these do not follow any uniform procedure and do not fit in as integral parts of a coherent or intelligent system. As government has become more complicated and as the pace of its activities has increased, Congress finds it increasingly difficult to exercise fully its legislative functions down to the last details. The tendency has been more and more to lay down broad outlines of policy and delegate wide authority to administrative agencies to fill in the minutiae of regulation. The extent to which such authority may be delegated raises new legal questions which in time will have to be defined.

The direct question involved in the Amazon case concerned the validity of regulations issued by Petroleum Administrator Harold L. Ickes under authority of the National Recovery Act, and whether Congress had authority to delegate to the President power to prohibit from interstate commerce oil produced in excess of state quotas, contained in Section 9(c) of the Recovery Act. This section merely authorized—but did not direct—the President to prohibit shipments of excess oil in interstate commerce.

The point at issue was whether this constituted a delegation of legislative power to the President. The Government insisted that into this section must be read the general implications of the act. It insisted that the policy of the act was to remove obstructions

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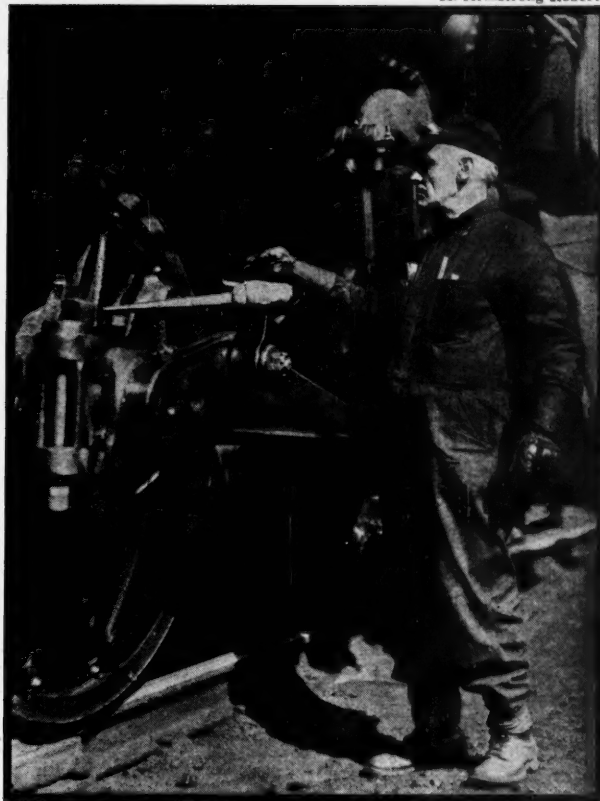
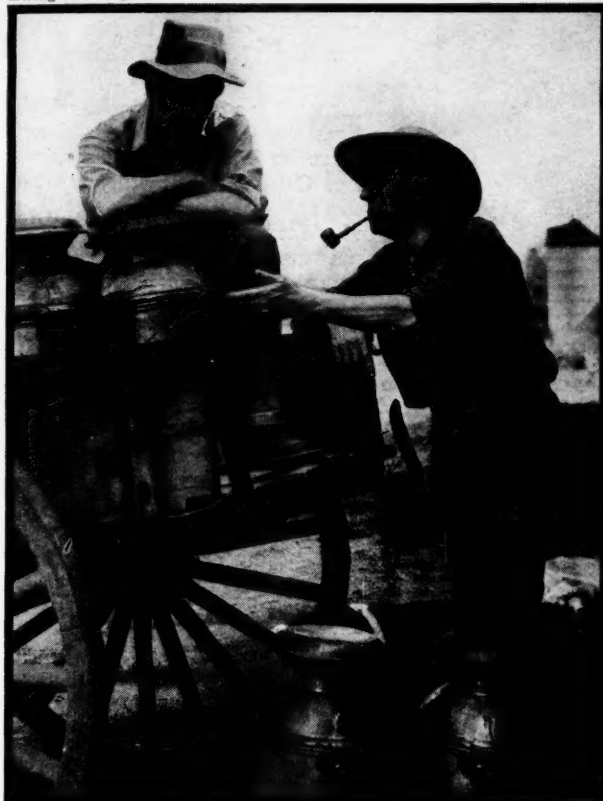


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REVERSAL

Oil control regulations issued by Mr. Ickes (right) are unconstitutional. In one case the joke was on Mr. Stephens (left) and the Government. A "dead" law had been violated!



OUT OF LUCK

Mortgage moratoriums for farmers, as well as pensions for railroad men, have been frowned on in lower courts, one by Judge Chesnut, the second by Justice Wheat.

© Bachrach



Federal Judge W. Calvin Chesnut rendered his decision in Baltimore.

from interstate commerce and to provide for the general welfare. Unrestrained oil production, it was argued, caused ruinous prices and unduly hampered interstate commerce.

Eight of the nine members of the Court, however, rejected this attempt to support Section 9(c) by surrounding it with implications from the remainder of the act. Only Associate Justice Cardozo, in his dissenting opinion, accepted this view. The remainder of the Court held that Congress had delegated full discre-

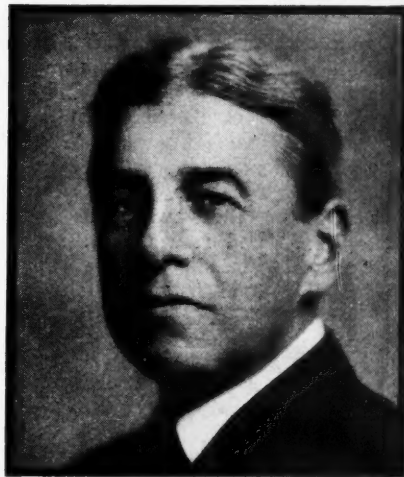
tionary power, actually its legislative function. This section was therefore declared unconstitutional—the first verdict by the Supreme Court upon the New Deal legislation.

The Court did not pass upon other parts of the Recovery Act. Neither did it frown upon the granting of broad administrative latitude to executive agencies. It insisted upon just one thing, that Congress must define the policy.

That this decision will be likely to invalidate other New Deal legislation is taken for granted in some of the most important New Deal quarters. They regard it, however, as a matter of technical phraseology and not as a blow at the principle of broad executive power. Mr. Roosevelt still is convinced that the purposes and technique of the New Deal can be carried forward under no serious handicap, except perhaps the occasional rephrasing of legislation to make the purposes more clear.

Other sections of the Recovery Act will be reviewed in various cases now on their way to the Court. One attacks the validity of the automobile code and the NRA authority under which it was promulgated. This case, and some others, will get at the vital matter of the codes of fair competition, adopted under the broad powers given the Recovery Act and having, when approved by the President, the

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Chief Justice A. A. Wheat of the District of Columbia Supreme Court.

force of law and carrying penalties for their violation.

In all, more than 875 cases have been docketed since NRA began. More than 150 are pending in Court though not all of these by any means will reach the Supreme Court. During a recent six weeks period, the NRA litigation division stated that it had been successful in all except six out of seventy-three court cases and had in general a record of favorable action in more than 90 per cent of its litigation.



GILT

Mr. Norman (right) believed a gold clause meant gold. Mr. Cummings, however, was sure he could prove that it did not.

Another NRA case headed for a final test is the now famous conviction of Fred C. Perkins, a small manufacturer of storage batteries at York, Pa. He was convicted and fined \$1,500 on charges of failing to pay minimum code wages in his plant. He had refused to subscribe to the wet battery code, insisting that he could not afford to pay the 40 cents an hour minimum prescribed in that code. He was arrested and spent eighteen days in jail before a local business man furnished the \$5,000 bond required for his final release.

The Perkins case touches fundamental questions of individual freedom which reach beyond the technicalities of the law. Mr. Perkins rebelled at the outset against the wet battery code and refused to accept it. One of his principal competitors, incidentally, was chairman of the code

drafting committee and then became chairman of the code authority. This competitor was a vice-president of the Thomas A. Edison Company and general manager of its battery manufacturing subsidiary. He appeared as a government witness in the trial to answer the contention of Mr. Perkins that the battery code had been drawn with the interests of large manufacturers in mind and that it set up conditions which however reasonable for manufacturing in urban centers, were unreasonable in a small locality where lower wages have generally prevailed.

However, it was not disputed that Mr. Perkins had paid less than the code minimum wages in his small plant. Also it was established that he had sold batteries outside of Pennsylvania thus putting him into interstate commerce and making him be-

yond all question subject to federal authority, as outlined in the NRA statute. Therefore nothing remained but for the jury to convict him.

Whether it is a question upon which the Supreme Court will feel that it can pass or not, some authority—perhaps Congress if not the Court—must eventually decide whether it is sound American policy to force a business man to obey rules and regulations set up by his competitors and to which he refuses to subscribe. Sooner or later it must be decided whether the Federal Government is to enforce wage rates thus fixed or whether, as prescribed in Section 7a, the government will concern itself with insuring that there is free collective bargaining between employer and employees.

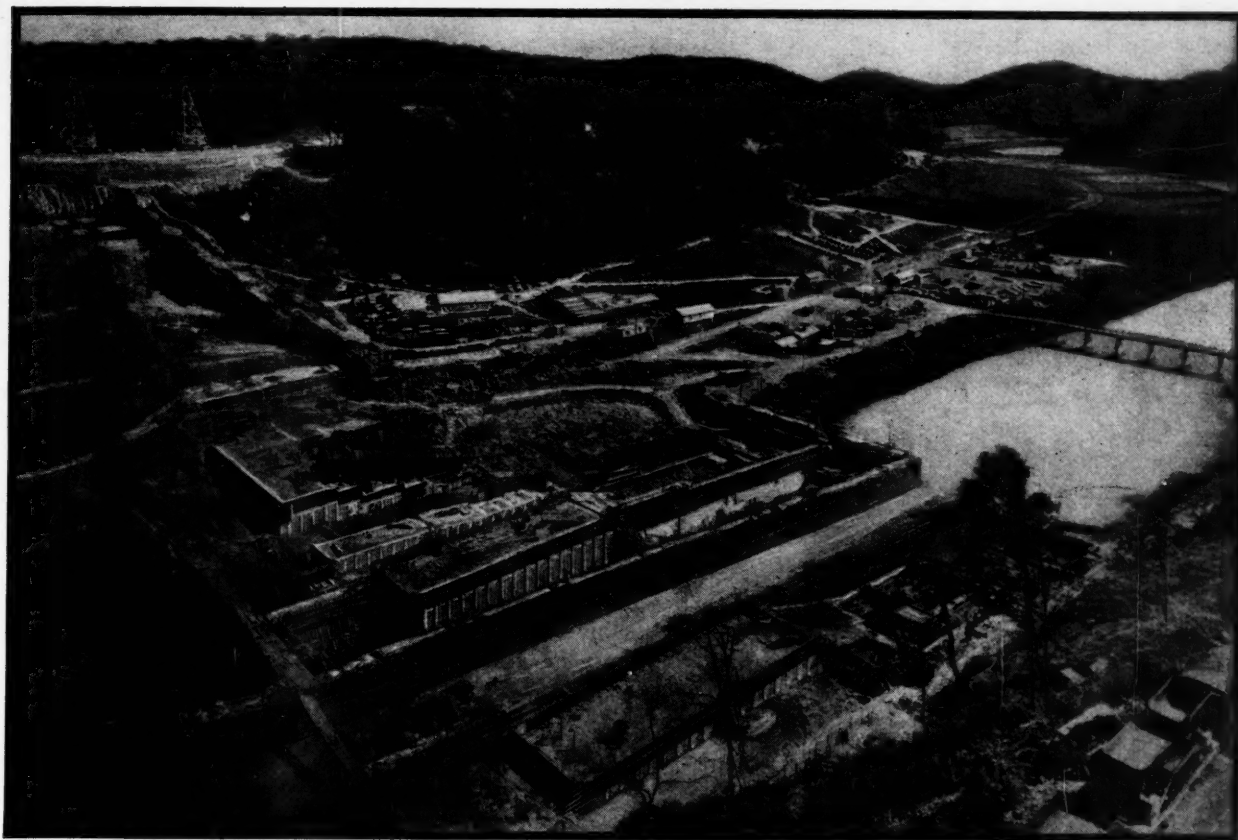
The spectacular possibility that the Supreme Court might invalidate the New Deal gold legislation attracted wide attention to several monetary cases which came before the Court in January. Three of these concern the so-called "gold clause" contained in many railroad and utilities bonds specifying payment in gold coin of weight and value prevailing prior to the devaluation under the Roosevelt Administration. One case challenged the authority of the Federal government to seize gold certificates without paying for them in gold or its equivalent in other currency.

It is true that invalidation of no other New Deal statutes would have such far-reaching repercussions as a decision declaring unconstitutional the resolution abrogating clauses in public and private contracts requiring payment in gold, or the act authorizing the President to seize all gold and gold certificates in exchange for their face value in other currency. Probably \$22,000,000,000 in govern-



JAILED

Fred C. Perkins could not stay in business and pay his men NRA wages. He landed in jail. He believes that it is unfair to try to force a man to obey rules set up by his competitors.



PALPABLE

Messrs. Baker and Beck, lawyers and statesmen, consider TVA activities palpably unconstitutional. A test will soon start. But Norris Dam grows quickly under the New Deal.

© Underwood & Underwood

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ment obligations contain the gold clause. It appears in perhaps \$75,-000,000,000 worth of other contracts, principally railroad, public utility, real estate and similar bonds. If such obligations were required to be settled for the equivalent of gold of the weight and value existing at the time the contracts were made, this indebtedness would be increased approximately sixty-nine cents on the dollar, on the basis of the present value of the dollar.

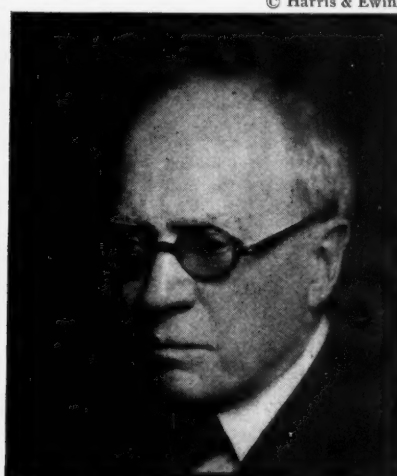
One case was brought by Norman C. Norman of New York, owner of a \$1,000 bond of the Baltimore and Ohio Railroad. Last February Mr. Norman presented a 4½ per cent coupon calling for payment of \$22.50 under the original terms of the contract. But Mr. Norman contended that the dollar had been devalued below the standard specified in the bond and that on the basis of the new value, he should receive \$38.10 in interest. The railroad refused to pay the higher interest and when the case went to court it insisted that under the statute it was prohibited from making payment in gold and that it had fulfilled its obligation by tendering the same face value in currency. The lower court upheld the railroad and the gold devaluation act. A similar issue was involved in the



President Wilson's Secretary of War, 1916 to 1921, was Newton D. Baker.

case of the Missouri Pacific Railroad which arose when bondholders demanded payment in gold on first mortgage bonds. The R.F.C. which had a claim on the railroad junior to the first mortgage went to the road's defense on the ground that payment under the original terms of the bonds would bankrupt the road. It was upheld in the lower court.

The same point was raised by a Liberty Bond owner whose \$10,000 Fourth Liberty Bond was called by



James M. Beck had served in Congress from Pennsylvania since 1927.

the Government. He demanded payment in the present gold equivalent of that face value.

The gold seizure order was challenged by the former owner of \$106,-300 in Treasury gold certificates which he surrendered under the anti-gold hoarding orders and he asked for additional compensation to cover the increment in the gold value resulting from devaluation.

In view of the fact that the Federal
(Continued on page 67)



H. Armstrong Roberts

DAVY JONES JR.

Upon the diver falls the task of exploring the sea bottom, locating wrecks, helping recover valuable cargoes. He works with death at his elbow, even under average working conditions. Danger is, least of all, from sea monsters.

TREASURE HUNTING, INCORPORATED

BY JO CHAMBERLIN

Hunting treasure today demands man-power, money and machinery. Here are some facts and figures on the country's most fascinating industry. It is a gamble neither pure nor simple.

Go up to Room 312 of the New York Public Library and you will find a good many people poring over maps. The chances are that at least one of them will be trying to locate buried treasure, for not a week goes by without somebody inquiring about Cocos Island, Trinidad, Tobermory or other treasure spots.

Scarcely a day passes without the newspapers headlining some new expedition setting out with picks, shovels and dynamite to dig its way to fame and fortune—or reporting some old expedition tramping home hungry, broke and empty handed. But these otherwise hard-headed citizens never come back discouraged. No, indeed. The following spring finds them starting out afresh, filled with boundless hope and enthusiasm. Their very human point-of-view was once summed up by a wealthy man who was asked what treasure his party had been searching for. "Oh, we were just hunting," he said with a wry smile.

X Marks the Spot

A look through the columns of New York newspapers for the past year shows that a dozen or more well equipped expeditions set out from this hopelessly businesslike city to look for treasure, not to mention smaller ones which never made the headlines. And within ten minutes of Times Square, three rival expeditions have been working for months to recover the supposed \$5,000,000 of the British frigate *Hussar* which sank in Hell Gate in 1780.

Next to the Atlantic coast, where Captains Kidd, Teach, and Morgan are supposed to have buried their doubloons and moidores, the Southwest is perhaps the most dug-up area in the country. The lost San Saba Mine, Fort Ramirez, and Maximilian's gold at Castle Gap are only three of dozens of treasures which have defied

endless search. Thousands of holes have been dug to find the gold that is shown on tattered maps to be *clearly* underneath—but somehow never is. In the Middle West, not a few ships with valuable cargoes have foundered in the Great Lakes, to intrigue the minds of men ever after. Thousands of dollars have been spent in attempts to recover Jean La Fitte's treasure at Barataria Island near New Orleans, while in Florida men still seek the gold of Gasparilla. The list is endless, and is irrefutable proof of the eternally romantic yearnings of ordinary human beings.

Just enough old coins, brass buttons, shoe buckles, skulls and tin can treasures are recovered from time to time to keep the pursuit forever hot. These finds range in value from a few hoarded coins in mason jars to the twenty-five millions recovered from the *Laurentic*. The small treasures are not difficult to find—if you know where they are. These secret caches are always turning up.

Just two months ago an obscure, 79-year-old spinster died alone in her Brooklyn home. Her lawyer decided it wouldn't do any harm to search her plain brownstone house, and did so. From the nooks and crannies came \$938,000 in coin, currency, checks, coupons, bonds and mortgages. The moral of this story is that if you move into an old house, don't throw away any old tin-cans, teapots, or cigar boxes—without first looking inside.

For the most part, the more romantic treasures of the world await whoever has the cash and perseverance to find them. First of all there are the ships old and new which have gone down with bullion or treasure aboard. Second, there is the wealth which pirates or law-abiding folk have hidden ashore. Third, comes an entirely different kind of treasure; the cargoes or hulls of modern ships which are commercially valuable in themselves. The more prosaic term

for this third type is salvage and we are concerned with it only in so far as it will tell us how to recover pirate loot or other treasure.

Unlocking the Sea

Recent improvements in diving equipment, in electrical devices for locating buried metals, in salvaging equipment and the like have made people wonder if some of the well-known treasures which have so long resisted men's efforts might not at last yield to modern engineering. Many treasure locations are fairly well known, either at sea or on land. It has been reasonably assumed that if the engineering problems of moving tons of earth, sand or silt could be overcome by modern methods, success might be at hand, for it has usually been mechanical difficulties which blocked efforts in the past.

The most expensive apparatus has been put to work in recent years but the results are not yet conclusive. Some treasure has been recovered, as from the *Egypt* two years ago, while others such as Tobermory or Vigo Bay, are just as far off as before.

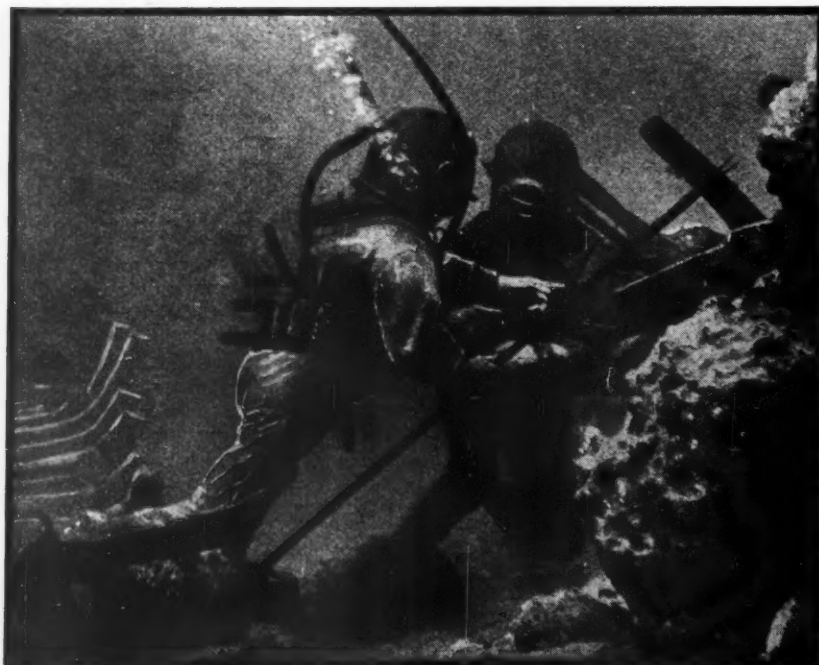
Until comparatively recent years two hundred feet was considered the lowest possible depth a diver could go without seriously endangering his life. When the ill-fated submarine *F-4* sank in Honolulu Harbor in 1915, however, 300 feet was reached. All-metal diving suits have increased that depth and the men who worked on the *Egypt* two years ago went down 400 feet, although in their rigid steel shells they could do only observation work. It is hoped that 1,000 feet is not unattainable in the future, since Dr. William Beebe has managed to go down 3,000 feet in his bathysphere, under ideal conditions.

A few fathoms under the surface, however, and darkness closes in. The most powerful lights throw their rays but a few feet and even these are



GOLD

Fourteen lives were lost and nearly a million dollars was spent recovering the gold of the Egypt, which sank in 1922.



Ewing Galloway

DANGER

Diving demands physical stamina, mechanical ingenuity, resourcefulness and quick thinking when trouble looms.

distorted. Many divers rely most on their sense of touch, and it is remarkable what they can do with tools and acetylene torches. Hidden dangers abound: metal snags to entangle the life line, racing tides, sudden squalls, cross currents, and sharp rocks.

The water pressure on the human body increases about half a ton for every foot the diver goes down, and his air pressure must equal it. The diver must withstand cold, and he breathes with difficulty. A sudden fall, say from the hull of a ship to the ocean floor, may increase the pressure so quickly that the diver is squeezed to a pulp, and if he comes up to the surface too rapidly he gets the dreaded bends, from which many die. It is not surprising that an English diver, before going deep within the hulls of sunken ships, used to shake hands with any stray corpse he could find, "just for luck".

It is not likely that much will ever be done with ships lying beyond a few hundred feet, for the cost makes the risk too great. The ships themselves, if modern, soon become obsolete and with the surplus of tonnage which exists today, would probably cost more to salvage than they are worth. Their value as scrap will not make anybody rich. Certain cargoes, however, are not harmed by a lengthy salt water bath, such as gold, silver, copper, lead or tin. Others can stand a short submersion with no harm, such as wool, rubber, cotton, or paints and oils in casks or kegs. The point is, how much are they worth and how much will it cost to get them out?

Asleep in the Deep

Most ships today are built of steel, and so hold together under water for long periods of time. Seekers of old treasure ships, which were made of wood, have to face the fact that in tropical waters the teredo worm destroys ship timbers and cargoes are soon scattered along the ocean floor. In northern waters the lime deposits of marine life preserve wooden hulls for many years. But hot or cold, most ships gradually sink into the ocean bed until tons of silt and sand cover them. To get at them costs money—a lot of money.

The problem of salvaging sunken ships and their cargoes has always held the attention of inventors, most of whose ideas were apparently tried out in bath tubs. They invariably overlook such matters as tides, storms, rocks, and reefs. One man has suggested a chemical freezing of the water inside the hull, thus giving buoyancy. Another would attach cables to a zeppelin hovering overhead. Another proposes bolting steel planes to the hull, a la submarine div-

ing vanes, then towing the vessel rapidly to the surface. Still another has proposed the building of a concrete wall around each foundered ship as a kind of custom-made dry dock. During the war two nerry gentlemen went to the British Admiralty and offered to tell those gentlemen how to raise torpedoed ships if they were first given \$5,000,000, and so desperate was the high command that the men almost got it.

Doubloon Dreams

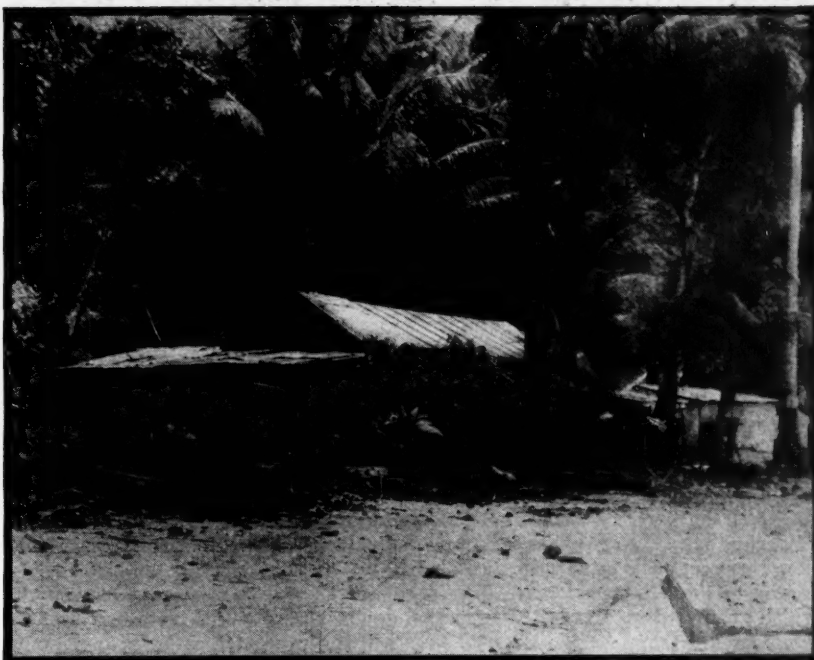
There are no magic methods in recovering cargoes or raising ships. Endless resourcefulness, mechanical equipment, and scientific skill are necessary. For the most part the professional salvagers are little concerned with the efforts to locate lost ships of the galleon or pirate variety unless they are paid in cash on the line, not promises. As one of them says, "More millions have been sunk in treasure ship expeditions than the Spaniards or pirates themselves ever dreamed about." The statement is only about 95 per cent accurate since there are a number of expeditions which have returned home loaded down with treasure. Compared with the failures, their number is regrettably few.

Perhaps first and foremost among the men who came back with the bacon or, rather, the bullion was Sir William Phips. Phips was born on a farm in Maine in 1650 as one of twenty-one sons, so at an early age he wisely decided to seek his fortune away from home. He went to sea on his own hook, trading up and down the coast. Not long afterward there came to his ears the tale of a galleon wrecked off Hispaniola (now Haiti and San Domingo).

Phips was a pious, profane and extremely practical man. He set about raising money to outfit an expedition and ignored the scoffers. He went to England and, working his persuasive powers overtime, managed to wheedle both money and a frigate from King Charles II, who was promised his share. From 1683 to 1687 Phips sailed boldly in pirate-infested waters in search of his prize. He put down a mutiny and put up with countless discouragements.

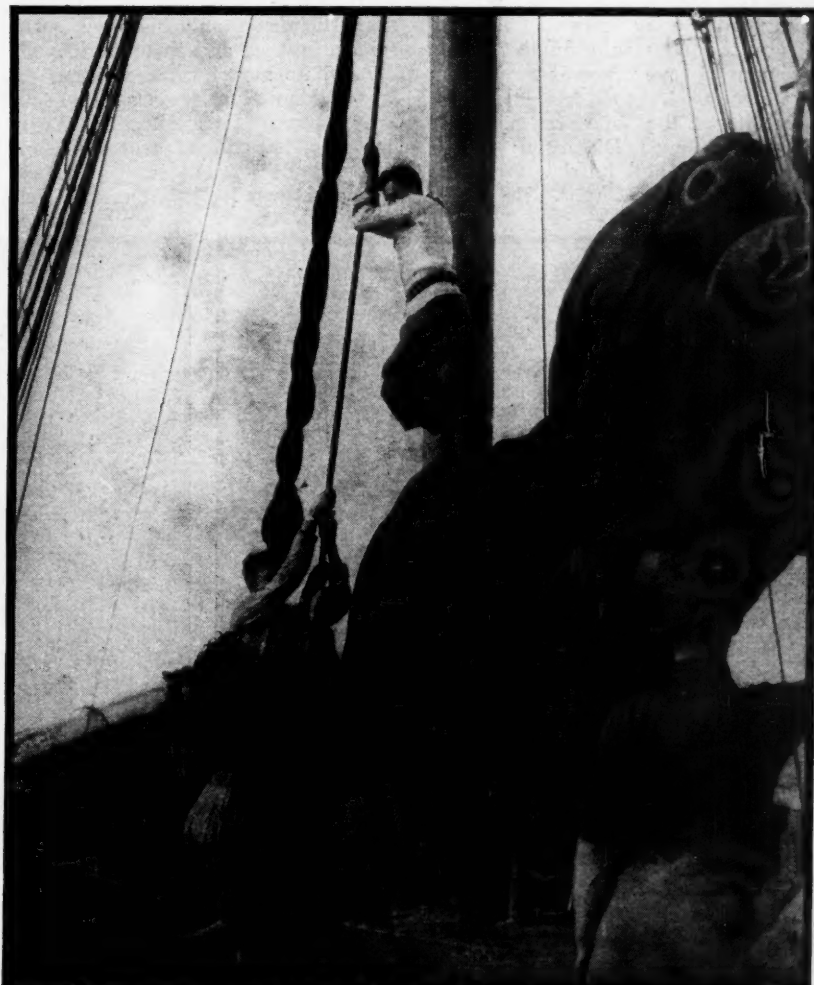
Jack Tar's Fancy

One day a sailor out in a small boat noticed a marine plant in the water which caught his fancy, and he sent an Indian diver down to fetch it. The man came up with the word that he had seen what appeared to be ship's guns. Another diver, hastily summoned, came up with a huge lump of silver. It was the long sought galleon,



LURE

Lonely Cocos Island, 400 miles off Costa Rica, has seen dozens of men come, build camps, dig and return home empty-handed.



ON DECK

Fourteen young Englishmen, who went to Cocos recently, were arrested for not getting a Costa Rican permit.

and out of it Phips' men secured about a million and a half dollars worth of gold, silver and precious stones.

Phips' share amounted finally to about \$80,000, equivalent to several times that figure today. Back in London, the King, who was now James II, knighted him and gladly pocketed his tenth. Sir William built himself a fine brick house in Boston and later became the first royal governor of Massachusetts. A sharp man in business and a quick one in a sea-fight, he never forgot his great adventure. When death laid him by the heels in London in 1694, he was already buzzing about, organizing a new expedition.

Engineers Step In

One of the first attempts to put engineering principles to work on treasure recovery may be seen in the salvaging of the *Thetis*, a British frigate which grounded in 1830 off Cape Frio while bound from Rio de Janeiro to England. On board was \$810,000 in gold and silver bars which the captain had agreed to take to London for some merchants who feared pirates. Many of the crew perished miserably before the ship was finally driven into a small cove where it went down like a rock.

In Rio at the time was stationed Captain Thomas Dickinson of the British navy, and he determined to have a try at the *Thetis*. He finally

got the grudging approval of his Commander-in-chief and with a hastily gathered crew, set out for what came to be known as Thetis cove. He was a most resourceful man. He made two workable diving bells out of old iron tanks, and manufactured his own air hose on the spot. He rigged up a huge boom from which to swing the apparatus, by bolting twenty-odd spars together. A storm destroyed the equipment, but Dickinson laboriously rebuilt it. It took fourteen months to recover three-quarters of the gold and silver in the *Thetis*.

A short time before the task was finished, however, the naval authorities stupidly sent out a new man to take charge. Using Dickinson's equipment and plans, the new man recovered an additional \$160,000 and it was he who sailed home to be wine and dined in glory. Dickinson was told by the Admiralty, incomprehensibly enough, that the salvage money would go elsewhere, and Lloyds put him off with excuses. Dickinson's own Commander-in-chief, who had never been near the job, had the colossal crust to put in a claim as chief salvor. It was only after expensive litigation that Dickinson and his men got a salvage award, and this when finally divided up meant small pickings for any of them. Such was Captain Dickinson's reward for fourteen months of hardship, privation, and gruelling labor.

One of the most thrilling and heart-

breaking ventures of recent years was the recovery of the \$5,000,000 in gold and silver aboard a modern ship, the P & O liner *Egypt* which sank near Brest in 1922. The *Egypt* collided with another ship in a fog and went down in 400 feet of water—enough to block diving for several years. With the invention of the all-steel observation cell, the *Egypt* was thought to be within the possible limit of operations. Work began in 1923 and was not completed ten years later. Men were still working last September.

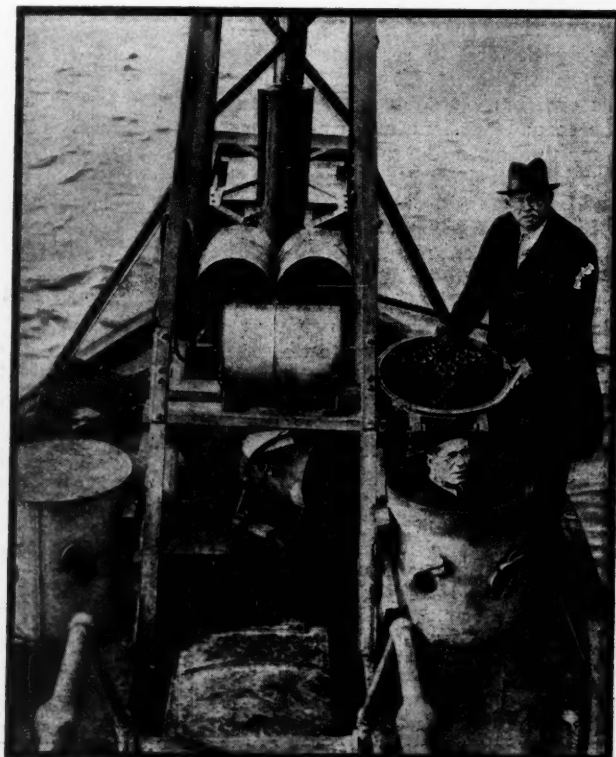
Many Brave Men

Months were spent in locating the ship, due to the presence of so many other wrecks. The usual method is by trailing a cable along the ocean floor between two tugs, and sending down divers to investigate when an obstacle is snagged. Once the *Egypt* was located, the men literally blasted away the plates, foot by foot, to get to the strong room. The original salvage ship *Artiglio* was blown up while working on another vessel and a dozen men lost their lives. A new *Artiglio* was fitted up in 1931. Bad weather delayed work interminably.

In 1932 the *Egypt* began to yield her gold to skill and engineering, and by the end of that year \$3,660,000 was recovered. Up from the hold in grappling irons came 4½ tons of gold ingots, 3½ tons of gold sovereigns and 43 tons of silver, which, amus-



TOLL Commercial salvagers are not interested in pirate galleons; they work on modern ships.



SALVAGER Simon Lake hopes to recover cargoes from sunken ships with a new device.

ingly enough, had dropped 50 per cent in value during ten years under sea.

The major part of the treasure has been recovered, of which the underwriters got 37½ per cent and the salvors 62½ per cent. This latter portion was shared between the original English contractors and the Italian Sorima company which finished the job. But during the several years of operations, Sorima paid out the staggering sum of \$800,000 in expenses. Few men or syndicates can put up that much money on the long odds the treasure seeker must face.

Such are the case histories of three outstanding recoveries of gold from the sea. There are others, quite a few, but for every success there can be named two dozen failures; groups which started out equally well equipped with man-power, machinery and money—only to come back empty-handed.

What about some of the failures?

Hell Gate's Hussar

The frigate *Hussar* has rotted at the bottom of treacherous Hell Gate, the passage between Long Island Sound and the East River, for a century and a half. Many competent men have striven desperately to wrest her fortune from her. The *Hussar* was a British ship on which was supposed to be \$4,000,000, placed there to pay British troops in America in the year 1780.

The British government once denied that any money had been on board, yet the *Hussar* has seen many a salvage crew come and go. The rear end was raised in 1823, only to fall back again. About 1840 a British group attempted to use a diving bell but the vicious, swirling waters defeated them. In 1880, after floating a large stock company, another group began work and failed, despite promises by its pious leader that any funds recovered would go toward Christianizing the heathens. In recent years others have had their fling, and in 1934 three more groups tried their luck. The vicious tides and cross currents have defeated them all. Divers can work only a few precious minutes a day on the spot, due to the tides, and the cross-currents often tumble them head over heels. There is nothing funny about this for a diver; it may mean death.

Simon Lake, of submarine fame, has long pondered the *Hussar*. Just two months ago he demonstrated a device by which he hopes to settle for once and for all any doubts about the *Hussar's* treasure. This device consists, essentially, of a long steel tube which can be raised or lowered in the water, and which has a chamber at the lower end from which divers can work directly over a wreck. Cargo can also be brought to the surface through the tube. Lake has brought up coal from sunken barges, and he plans retrieving other

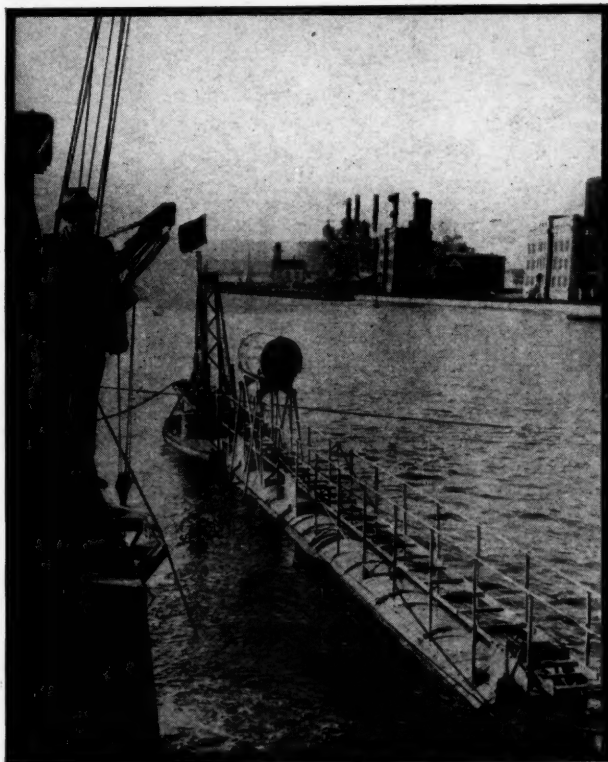
cargoes. The *Hussar* is one goal. But despite the thousands of dollars already spent on her, the ancient *Hussar* has yet to meet her conqueror.

The Lure of Cocos

Cocos is a lonely tropical island 400 miles off Costa Rica. It was the original "Treasure Island" of Robert Louis Stevenson. There the seabirds scream, the palms wave gently, and the breakers roll in on a sandy beach. To this uninhabited island have sailed hundreds of treasure seekers. Malcolm Campbell, the English speedster, once led an expedition there, and needless to add, he hopes to go back. In the old days Cocos was a popular pirate hang-out, a handy place for them to catch up with their drinking, or divide their booty. Enough scattered coins, cutlasses and broken bottles have been found to prove this beyond a doubt. Whether they buried any gold there or not is quite another matter.

Two main treasures lure the adventurer to Cocos. The first is the supposed cache of Captain Edward Davis who flourished in the late 18th century and was a pirate with few peers. The other is the loot of Lima. In 1820 the wealthy citizens and clerics of Lima feared what crusading Simon Bolivar and his men might do with them and their riches, and so prepared in panic to evacuate the

(Continued on page 68)



NEW WRINKLE Lake's invention can be lowered over ships in moderate depths.



TALLY Salvagers working on the lost *Merida* found no millions in gold, as hoped, in this safe.



LOOKING UP!

Oil may lie so far below the surface that the drill mechanism (lower right) will use 10,000 feet of pipe before the oil is reached. This is the interior of a derrick.



Illustrations by Margaret Bourke-White

ANALYZING THE OIL COMPANIES

BY HOWARD FLORANCE

What do you get for your investment dollar if you buy oil shares? A new yardstick is here applied to the earnings of ten leading companies, modern industrial giants.

NATURE LABORING QUIETLY for millions of years, and Drake digging excitedly for a few months, combined to produce the first barrel of rock oil or petroleum. That was in Pennsylvania, seventy-five years ago. A later generation of dreamers was to create the automobile, and complete the transformation of petroleum from a medicine to a source of energy, long after its first-born—kerosene—had finished a useful and highly lucrative career lighting the country's homes between candle and gas eras.

Strangely enough, this gift of Nature to man, worth even now half a cent a quart at the well, was never in these bigger and better days to bring riches to an individual comparable with certain personal fortunes of the kerosene era. Indeed, our selection of companies for consideration in this article is influenced materially by the forced omission of vast combinations of capital and brains which did not earn dividends even in the fairly happy year just ended. Water mixed too liberally with oil, not in the well but on the books, the anti-capitalist will cry.

Our selection of ten oil companies does include four corporate children of the original Standard Oil trust dissolved by Supreme Court decree in 1911. The stone which the courts refused, to paraphrase a bit of Old Testament philosophy, is still the head stone of the corner.

Unfortunately for our present purposes, half of these ten oil companies do not publish interim reports; and it will be several months before annual statements see the light of day. The other five show uniformly improved earnings during the first three-quarters of 1934. In the aggregate, the nine-months net of these five jumped from 15 million dollars in 1933 to 25 millions in 1934.

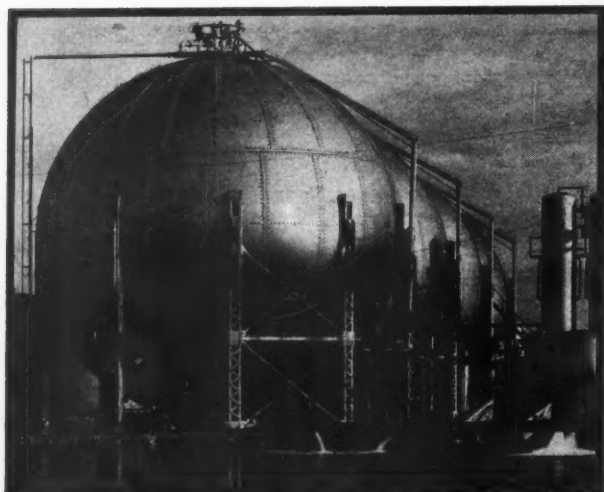
For one of our tables, therefore, "price per dollar of earnings", we lean heavily upon earnings estimates for the full year 1934 furnished to us by Fitch analysts. These estimates show that with one exception our companies enjoyed greater prosperity in 1934 than in 1933. In similar fashion eight of the ten had earned more in 1933 than in 1932.

Thus for two years the position of



COMPETITION

One well might suffice. But more bring the oil up faster—or before one's neighbor drains the pool.



NATURAL GAS

Along with oil, Nature often belches forth vast quantities of gas. This is captured, stored in tanks, and later piped away for light, heat, and power in distant communities.

shareholders in oil companies—if our selection is typical—has continued to improve. Anyone in the industry, honest with himself, will admit that 1934 was a better year than might reasonably have been expected. The previous year had witnessed a price drop from 65 cents per barrel down to 10 cents (in East Texas) and then a rise to 96 cents. We use here the Bureau of Mines reports, for Oklahoma-Kansas 34-34.9 gravity.

Admittedly the producing end of the petroleum industry has gone further along the road to recovery than the refining end. Crude prices have advanced; but refined prices are still in the zone of small or non-existent profits.

Since September 29, 1933, and for the longest period known, the base price of crude oil had remained unchanged. Also, no prolific oil field was discovered within the year, to shatter careful plans for balanced production.

True, a pipe line from Iraq to the Mediterranean will soon bring 85,000 barrels daily into the world markets; but what is that when compared with an East Texas production currently exceeding 400,000 barrels daily and our total production approaching 2,500,000 barrels daily?

Domestic production of crude petroleum had increased from 785 million barrels in 1932 to 898 million 1933, the first increase since 1929. And during 1934 it rose further, to an estimated 908 million. But consumption also has increased, so that oil and oil products now in storage are at their lowest level in eight years.

The oil code, approved by the President in August 1933, has been an outstanding example of NRA achievement. It has made petroleum a planned industry, with quotas assigned to each producing area. This was done in cooperation with the state governments, which themselves

had tried unsuccessfully to maintain some measure of price stability as a by-product of their larger interest in conserving a natural resource that cannot be replaced in a million years.

Texas was allotted 1,006,800 barrels daily (41 per cent of the total), Oklahoma 489,300 barrels (20 per cent), California 473,900 barrels (19 per cent), Kansas 137,100 (5½ per cent), and Louisiana 99,700 (4 per cent). The rest of the country—eastern and Rocky Mountain fields—shared the remaining 10½ per cent of the total daily allowable production of crude oil. The percentages are approximate.

Illegal production in excess of these quotas, called "hot oil" and marking East Texas especially, is estimated to have reached 125,000 barrels daily at its peak in 1933. This had later been curbed by the application of Section 9 (c) of NIRA, which authorized the President to

RATING

Based on Present Price of Stock

	Dividend Rating	Net Earnings Rating	Gross Income Rating	Book Value Rating	Combined Final Rating
Socony-Vacuum	3	2	5	3	1
Atlantic Refining	5	1	3	2	2
Seaboard Oil	4	4	1	10	3
Texas Corporation	2	8	4	4	4
Union Oil of Calif.	1	9	7	1	5
Standard Oil of Ind.	5	4	8	5	6
Sun Oil	9	3	9	9	7
Tide Water Associated	10	6	2	6	8
Standard Oil of Calif.	7	7	10	7	9
Standard Oil of N. J.	8	10	6	8	10

COMBINED FINAL RATING is obtained by weighting the four factors. We value Dividends and Net Earnings each at four, and Gross Income and Book Value each at one. The reader may choose to fix some other ratio. As noticed in earlier articles, final rating is not to be despised. Since these ratings are based on current market values, it may indicate that the investor is willing to pay a price that is sufficiently out of line to throw the best company to the bottom of the list.

NET EARNINGS

Available for Common Stock

Total (000,000)						Per Share					
Yearly					First 9 Months		Yearly				
Average 1929-1934	1931	1932	1933	1934 Est.	1933	1934	Average 1929-1934	1932	1933	1934 Est.	First 9 Months 1933 1934
6.1	.5	3.9	5.2	6.4	4.7	5.4	2.20	1.45	1.96	2.40	1.75 2.02
.7	.2	.9	1.3	1.5	.9	1.1	.61	.74	1.06	1.20	.68 .86
18.1	def. 5.3	5.3	22.5	31.0	Not reported		.81	.17	.73	1.00	Not reported
22.7	14.5	13.9	7.5	15.7	5.9	13.3	1.77	1.07	.58	1.20	.44 1.01
32.7	17.6	16.6	17.7	19.4	Not reported		1.97	1.04	1.14	1.25	Not reported
38.0	8.7	.3	25.1	30.9	Not reported		1.49	.01	.97	1.20	Not reported
5.6	2.5	3.6	6.3	6.4	Not reported		3.58	2.25	3.65	3.70	Not reported
9.7	def. 9.9	def. 2.2	def. .5	7.9	Not reported		1.00	def. .22	def. .05	.85	Not reported
2.4	def. 8.6	.7	6.8	2.3	def. .3	1.7	.35	.13	.69	.40	def. .06 .31
5.6	3.1	3.2	.6	2.2	1.3	1.7	1.30	.73	.14	.50	.28 .39
141.6	23.3	46.2	92.5	123.7			15.08	7.37	10.87	13.70	

THE YEAR 1931 marks the low point in aggregate earnings for these ten companies. And for three years the climb upward has been steady. For 1934, the year just ended, we use estimated earnings prepared by the Fitch Service. All ten companies are now operating at a profit to their shareholders. Indeed, seven of the ten kept out of red ink all through the depression. Comparison of this table with that of dividends will show that two companies last year did not earn the dividends paid. But above all, it shows that Sun Oil's \$1 dividend has been earned more than three times over, for two years.

prohibit interstate commerce of petroleum or petroleum products produced in violation of state laws. This was backed by an Oil Tender law in Texas, under which shippers have been required to certify the legality of oil before railroads will move it.

Still Texas tax reports indicate that in fourteen months—September, 1933, through October, 1934—some 12,500,000 barrels of "hot oil" were produced. On this output the state collected more than \$12,230,000 in gasoline and gross production taxes.

It was this Section 9(c) of the Recovery Act itself, and not the oil code, which the Supreme Court declared unconstitutional on January 7. Voting 8 to 1, the Court held that this oil section was defective because in it Congress had delegated legislative powers to the Executive without sufficiently indicating its own intent or the circumstances under which the authority should be exercised.

The code continues, but the Federal Tender Board that has been set up in East Texas is scrapped.

Until this Supreme Court decision had been handed down, the producing end of the petroleum industry had been sitting pretty except for the inevitable few—mostly newcomers—who saw no reason why black gold should not be permitted to flow freely from their wells. In the marketing end a price war between leading distributors and independents in the East, notably in New Jersey, had threatened profits and even corporate lives, but was later adjusted.

The tax problem continues acute. Gasoline taxes are on a per-gallon basis, with average rate still rising while the sales price falls. State gasoline taxes last year took more than \$560,000,000 from motorists, and federal taxes \$170,000,000 more. It was a new high record. Only two states, however, raised their rates during the year.

Some 118 taxes are levied upon petroleum products, properties, operations, and services. In 1933 these averaged \$1.11 per barrel on crude oil produced at an average cost of 80 cents and sold at an average of 72 cents. Of the \$1.11 tax, the public paid at least 90 cents.

Profits Were Returning

The ten oil companies which we have chosen for analysis all will report net earnings for 1934, and all but one are currently paying dividends. These factors are essential in the series of which this is the sixth article; for how can you rate companies by the price an investor pays for each dollar of dividends or net earnings, if there are no dividends or net earnings?

Our ten companies earned an ag-

DIVIDENDS

	Average 1929-1934	1929	1930	1931	1932	1933	1934
Atlantic Refining	1.33	2.00	2.00	1.00	1.00	1.00	1.00
Seaboard Oil	.28	none	none	none	.30	.75	1.00
Socony-Vacuum	1.06	1.60	1.60	1.45	.75	.35	.60
Standard Oil of Calif.	1.96	2.50	2.50	2.50	2.00	1.25	1.00
Standard Oil of Ind.	1.75	3.50	2.50	1.50	1.00	1.00	1.00
Standard Oil of N. J.	1.69	1.87	2.00	2.00	2.00	1.25	1.00
Sun Oil	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Texas Corporation	1.96	3.00	3.00	2.50	1.25	1.00	1.00
Tide Water Associated	.15	none	.60	.30	none	none	none
Union Oil of Calif.	1.53	2.00	2.00	2.00	1.20	1.00	1.00
	12.71	17.47	17.20	14.25	10.50	8.60	8.60

ALL BUT ONE of these ten oil companies pay dividends on common shares; and there is remarkable similarity in the size of their current rates. All but two have paid dividends throughout the long years of depression. Sun Oil is notable for the consistency of its payments through bad times and good; and our earnings table shows that this dividend might well be increased. As a group, oil companies obviously are not heavy dividend payers, per share at least.

PRICE PER DOLLAR OF DIVIDENDS

	Divi- dends per Share 1929- 1934 Average	Market Price 1929- 1934 Average	Price per Dollar of Divi- dends 1929- 1934	Divi- dends 1934	Market Price Dec. 31 1934	Price per Dollar of 1934 Divi- dends	Rating in Group 1934
Atlantic Refining	1.33	28	21.05	1.00	25	25.00	5*
Seaboard Oil	.28	24	85.71	1.00	24	24.00	4
Socony-Vacuum	1.06	20	18.87	.60	14	23.33	3
Standard Oil of Calif.	1.96	42	21.43	1.00	32	32.00	7
Standard Oil of Ind.	1.75	32	18.29	1.00	25	25.00	5*
Standard Oil of N. J.	1.69	46	27.21	1.00	43	43.00	8
Sun Oil	1.00	50	50.00	1.00	69	69.00	9
Texas Corporation	1.96	31	15.81	1.00	21	21.00	2
Tide Water Associated	.15	9	60.00	none	9	no div.	10
Union Oil of Calif.	1.53	24	15.69	1.00	16	16.00	1

THE INVESTOR pays least, for each dollar of current dividends, if he buys Union Oil of California. Stated another way, the yield on Union Oil is the highest in the group of ten oil companies at the year-end. This table of dividends should be used in conjunction with that on net earnings, to show to what extent dividends are being currently earned or might conceivably be increased. *A tie



OIL TO GAS

Improved methods now turn 42 per cent of average crude into gasoline. Once the yield was 10 per cent.

gregate of 333 million dollars in 1929, 181 million in 1930, and 23 million in 1931. That was their depression year. Then the rise began, to 46 million in 1932, 92 million in 1933, and an estimated 124 million in 1934. It is a fertile field for the post-mortem expert, to discover how profits could disappear so rapidly in an industry where demand for its products had fallen off so little.

From the standpoint of dividends, the shareholder was partially protected by surpluses previously accumulated. A single share of stock in each of the ten companies yielded an aggregate of \$17.47 in dividends in 1929, \$17.20 in 1930, \$14.25 in 1931, \$10.50 in 1932, and \$8.60 in 1933 and 1934. Earnings fell off to one-seven-

teenth, from high year to low year; but dividends fell only to one-half, so that the shareholder drew freely upon earlier periods of prosperity.

In optimistic and prosperous 1929 a share of stock in each of the ten companies would have cost \$514 if purchased mid-way between high and low of that year. That much money would have bought \$17.47 in dividends that year, or a "price per dollar of dividends" averaging \$29.42. It was a yield of 3.4 per cent.

Depression year 1932 made it possible to purchase the same shares for \$167—not at the extreme low point, but half-way between high and low that year. For that much money the investor bought \$10.50 in dividends, or a price per dollar of dividend

averaging \$15.90. At that moment it was a yield of 6.3 per cent. But the investor of 1932, who bought for the "long pull", has seen dividends further reduced to \$8.60, so that for the past two years his actual yield has been hardly more than 5 per cent.

At the beginning of 1935 the same share of stock in each of our ten oil companies cost \$278. It carried an apparent aggregate dividend of \$8.60, or a price of \$32.32 per dollar of dividend. Thus the investor at present prices is paying more for dividends than in the boom year 1929. He is satisfied with a yield of 3.1 per cent. Is it merely a reflection of low interest rates? Or is he counting upon a brighter future, wearing rosy-tinted spectacles again?

This price per dollar of dividends (and of such other essentials as gross and net earnings and book value) is the crux of this present series of articles. It is an investment measuring-rod devised by Joseph Stagg Lawrence for this magazine. In the tables which accompany the text, the formula is applied to the varying fortunes of each of the ten oil companies selected. There is a rating for each of four factors, and then a combined final rating.

As in previous articles the reader is reminded that no single investment yardstick is infallible or even sufficient and that certain other considerations should be weighed. It is conceivable that the lowest rating, under our formula, will be earned by the very best company; for our ratings are based upon market values, and if investors are willing to pay more, let us say, for Standard Oil of New Jersey than for shares of another company with comparable earnings and dividends, that fact automatically pushes New Jersey Standard down in the rating column.

Ten Oil Companies

Atlantic Refining Company. Incorporated in 1870. Produces, refines, and markets. Main refinery at Philadelphia. Distributes from Massachusetts to Florida. Owns pipe lines in Texas and a fleet of tankers. Assets, 160 million dollars.

Seaboard Oil Company of Delaware. The only non-marketing company in our list. Prior to August 1931 known as the Mexican Seaboard Oil Company. In recent years, leases in rich Kettleman Hills area of California have pushed into second place its older properties in Mexico. Also produces in East Texas, and has concessions or permits in Venezuela and Canada. Assets, 11 million dollars.

Socony-Vacuum Oil Company. A 1931 merger of Standard Oil Company of New York (1882) with Vacuum Oil Company. Markets pe-



TEXAS PORT

A million barrels weekly come from Texas wells, at a dollar a barrel. These are gasoline drums.

troleum products in every state and in all foreign countries. Has producing, transportation, and refining facilities also. Assets, 248 million.

Standard Oil Company of California. A 1926 merger with the Pacific Oil Company. Owns or operates producing oil and gas wells, pipe lines, refineries, transportation systems, and storage facilities in California and Texas. Produces perhaps 35 million barrels yearly. Assets, 568 million dollars.

Standard Oil Company of Indiana. Incorporated in 1889. Until 1911 controlled by the parent New Jersey company. Subsidiaries produce 25 to 50 million barrels yearly. Refineries in Indiana, Illinois, Missouri, Wyoming, Michigan, Kansas, and Colorado. Markets gasoline and other by-products in Middle West and Northwest. Owns extensive pipe lines system. Assets 677 million.

Standard Oil Company of New Jersey. Incorporated in 1882, the original Rockefeller company. Broken up by Supreme Court decision in 1911, and reorganized in 1927 as a holding company only. Subsidiaries engage in all branches of the industry, but especially in the refining and marketing of gasoline. Company has led in research, lately in the hydrogenation process but also in the development of trademarked medicines like Nujol and Mistol, and the insect exterminator Flit. Assets 1912 million dollars. Larger than the three next largest companies.

Sun Oil Company. Incorporated 1901. Produces perhaps 7 million barrels yearly, from leases in Oklahoma, Kansas, Texas, and New Mexico. Refineries at Chester, Penn., and Toledo, Ohio. Engages in all branches of the business, but especially in producing, refining, and marketing lubricating oil and gasoline. Assets, 102 million dollars.

Texas Corporation. A 1926 reincorporation. Engaged in all branches of the industry, through subsidiaries. Owns or controls oil lands in Mid-Continent, Rocky Mountain, and California fields, and in Mexico, Canada and South America. Production exceeds 30 million barrels yearly. Operates seventeen refineries and a vast fleet of tank cars and tankers. Distributes in every state. Assets 498 million dollars.

Tidewater Associated Oil Company. A 1926 merger of the Tide Water Oil Company and the Associated Oil Company. Owns or leases areas in Eastern, Mid-Continent, and California, that produce 15 million bar-

PRICE PER DOLLAR OF BOOK VALUE							
	Book Value Per Share 1929-1934 Average	Market Price 1929-1934 Average	Price Per Dollar Book Value 1929-1934	Book Value Jan. 1 1934	Market Price Dec. 1 1934	Price Per Dollar of 1934 Book Value	Rating in Group 1934
Atlantic Refining	52.23	28	.54	52.12	25	.47	2
Seaboard Oil	8.13	24	2.95	8.44	24	2.84	10
Socony-Vacuum	29.39	20	.68	27.62	14	.51	3
Standard Oil of Calif.	44.43	42	.95	42.73	32	.75	7
Standard Oil of Ind.	39.36	32	.81	39.69	25	.63	5
Standard Oil of N. J.	47.96	46	.96	45.92	43	.94	8
Sun Oil	41.30	50	1.21	39.91	69	1.73	9
Texas Corporation	41.00	31	.76	36.45	21	.58	4
Tide Water Associated	17.18	9	.52	13.78	9	.65	6
Union Oil of Calif.	38.57	24	.62	35.73	16	.44	1

BOOK VALUE is capital and surplus divided by the number of shares. It is sometimes otherwise stated as "equity per share". It is the net worth of a company after deducting intangibles, such book-keeping assets as good will, patents, and the like. Finally, it is a figure available only once each year, from a corporation's balance sheet. Note the failure of book value to shrink much during depression.

PRICE PER DOLLAR OF GROSS OPERATING INCOME							
	Gross Operating per Share 1929-1933 Average	Market Price 1929-1933 Average	Price per Dollar of Gross Income 1929-1933	Gross Income per Share 1933	Market Price Dec. 31 1934	Price per Dollar of 1933 Gross Income	Rating in Group 1934
Atlantic Refining	7.75	28	3.61	6.94	25	3.60	3
Seaboard Oil	1.19	24	2.01	1.69	24	1.42	1
Socony-Vacuum				2.45	14	5.71	5
Standard Oil of Calif.	3.22	42	13.04	2.02	32	15.84	10
Standard Oil of Ind.	5.40	32	5.92	3.43	25	7.28	8
Standard Oil of N. J.	7.07	46	6.50	7.25	43	5.93	6
Sun Oil	9.34	50	5.35	8.49	69	8.13	9
Texas Corporation	6.48	31	4.78	5.03	21	4.17	4
Tide Water Associated	4.28	9	2.10	4.36	9	2.07	2
Union Oil of Calif.	4.47	24	5.36	2.55	16	6.27	7

GROSS OPERATING INCOME is a factor to which we give a weighting of only 1, out of a total of 10, in our combined final rating. There is no uniformity in the way it is reported by oil companies, but we have made earnest endeavor to get figures that are comparable one company with the others. In general the figure we use is the result of subtracting production, selling, and administrative expenses from gross sales. Depreciation and depletion have not been deducted.

PRICE PER DOLLAR OF NET EARNINGS							
	Net Earn's per Share 1929-1934 Average	Market Price 1929-1934 Average	Price per Dollar of Net Earn's 1929-1934	Estimated Net Earnings 1934	Market Price Dec. 31, 1934	Price per Dollar of 1934 Estimated Net	Rating in Group 1935
Atlantic Refining	2.20	28	12.72	2.40	25	10.41	1
Seaboard Oil	.61	24	39.34	1.20	24	20.00	4*
Socony-Vacuum	.81	20	24.69	1.00	14	14.00	2
Standard Oil of Calif.	1.77	42	23.72	1.20	32	22.66	7
Standard Oil of Ind.	1.97	32	16.24	1.25	25	20.00	4*
Standard Oil of N. J.	1.49	46	30.87	1.20	43	35.83	10
Sun Oil	3.58	50	13.97	3.70	69	18.65	3
Texas Corporation	1.00	31	31.00	.85	21	24.70	8
Tide Water Associated	.35	9	25.71	.40	9	22.50	6
Union Oil of Calif.	1.30	24	18.46	.50	16	32.00	9

WHAT EARNINGS you get for your dollar invested in oil stocks vary considerably, though readers familiar with earlier articles in the series will recall that this feature was also noted in other groups. Standard of New Jersey finds itself in last place here, largely because some investors are willing to pay a premium for a stock of its long-range quality. *A tie.

rels of crude yearly. Operates five refineries. Sells motor oils and gasoline nationally. Assets, 188 million dollars.

Union Oil Company of California. Incorporated in 1890. Produces, refines, transports, and markets gaso-

line, lubricating oil, fuel oil, asphalt, and a wide variety of other petroleum products. Produces about 15 million barrels of crude oil and natural gasoline yearly. Operates seven refineries in California. Sells largely in Pacific Coast States and in Arizona, Nevada, and Utah. Assets, 190 million dollars.

This analyzing series, that began with motors in August, 1934, has now carried on through rails, public utilities, food companies, investment trusts, tobacco companies, and oil companies, one article each month.

WAR AND THE MUNITIONS RACKET

BY LINLEY GORDON

Nationalizing munitions manufacture, embargoes, licensing, in fact most proposals to take the profit out of war, are futile. The only effective road to peace lies in world disarmament.

WITH THE RECENT unveiling of the international munitions racket, various solutions have been proposed. Prominent among these is nationalization of the industry. This seems to be the remedy securing the endorsement of peace societies and other groups. It would not, however, destroy militarism or abolish war. It would do away with some of the evil features. The individual would not profit by the making of implements of human slaughter. No shares would be sold. No war scares would be churned up by men who fatten on the private trade. No revolutions would be instigated to satisfy the greed of a few private manufacturers. These results would be wholesome, but nationalization of the industry would not stop military preparedness or war.

Japan has nationalization for the most part, but you would hardly say that it has curtailed militarism, navalism, or war in that quarter. Russia has nationalization, but you would not say it has been successful in keeping Russian armaments or Russian war threats down. She has no private armament factories, but she counts on her Red Army. She is equipped for war. "Let no one put his snout in our potato patch," said Stalin recently, "or we'll strike."

Moreover, if small nations were compelled to make their own military equipment, under nationalization, imagine the competition between countries. Bolivia and Paraguay, for instance. Nationalization would result in all nations, great and small, creating their own munitions plants. Governments would compete in preparedness under nationalization as they do now with the industry in private hands. We may then witness all nations becoming armament-builders.

Another hope in the hearts of some people is the embargo, but it should be said that we have never had a

successful embargo in peace time. We have had such in war, but a general embargo in time of peace has always been voted down. Bootleg trade is carried on. There are bootleg centers in Europe where Germany gets some of her arms supplies in opposition to the Versailles Treaty. There has been bootlegging of arms into South America from the United States.

Profits Out of War

President Roosevelt is now proposing legislation to take the profits out of war. Such legislation would still leave room for private profit in munitions and armaments in time of peace. It makes no provision for stopping war profits in time of neutrality. Profits in the industry were exceedingly high in America during the year 1916, a year before America declared war on the Central Powers. Profits are piling up now in the United States, Great Britain, and France, and these nations are at peace. None are in conflict with other nations, but their armament industries are thriving on peace profits. This weakness applies also to the American Legion plan. It makes provision for wartime only, and has nothing to say about profits in peace time.

A project submitted by the United States Government to the World Disarmament Conference in Geneva on November 20th, 1934, suggests:

- a. That the export and import trade in arms and munitions be licensed.
- b. That private factories shall manufacture under license only.
- c. That there be full publicity on the manufacture and traffic in arms.

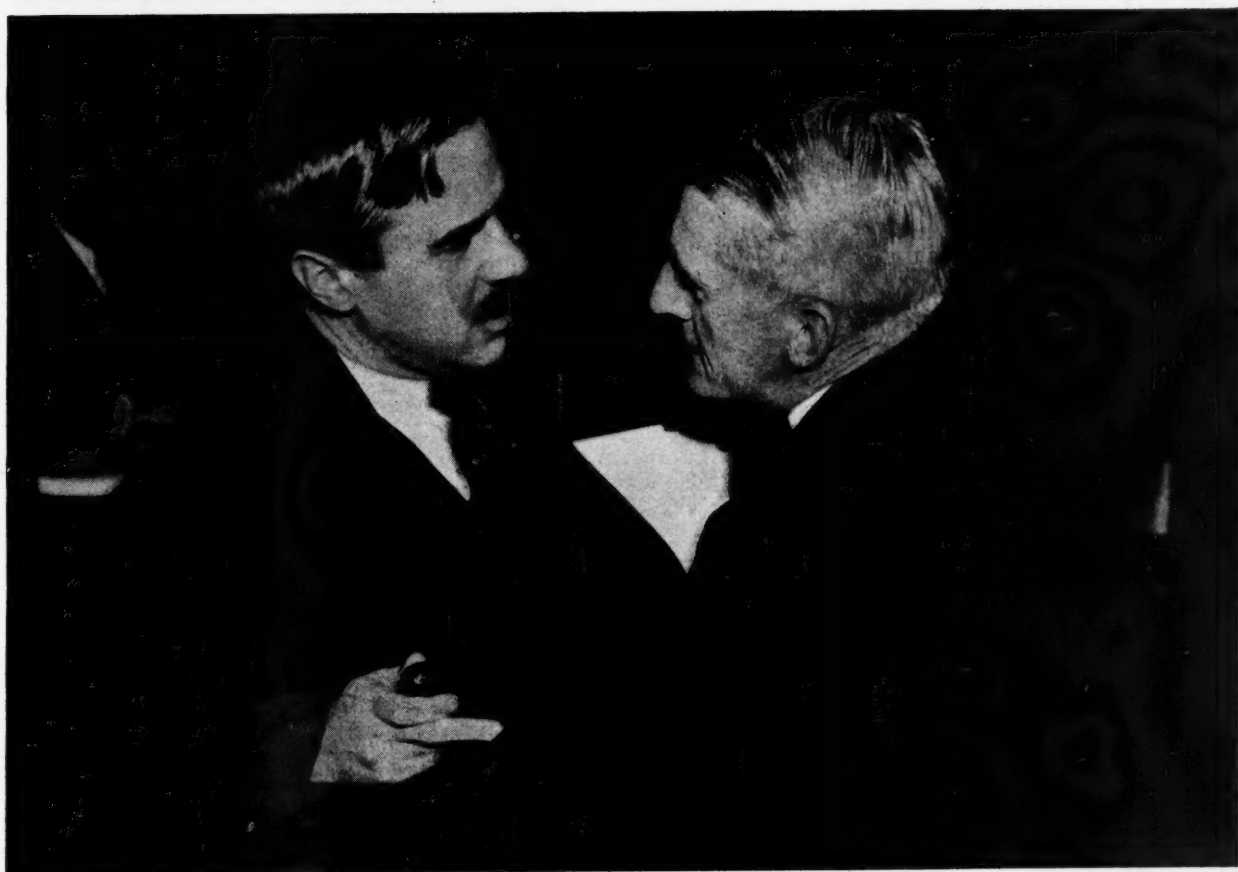
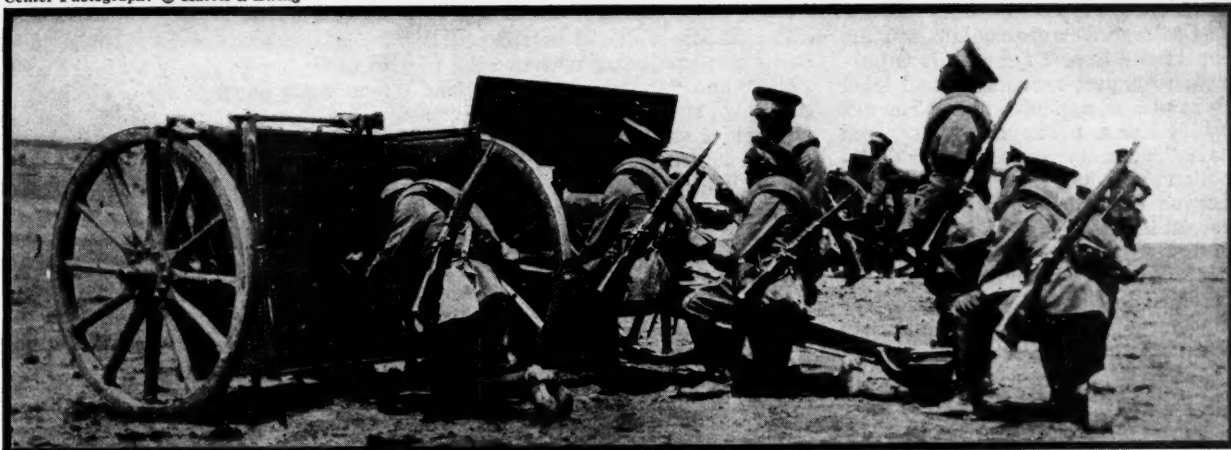
d. That there be a permanent international commission to administer the plan.

This proposal has a familiar sound. It has been made in large part before. In so far as a license system is concerned, it has been tried unilaterally. Great Britain has employed the system for years. Whenever individuals or groups in Britain protest against the shipment of arms from Great Britain, armament-makers always reply that they have the consent of the government to such shipment and that their exports are licensed. The license system in Great Britain has been only an empty form. It has not prevented munition-makers from shipping millions of dollars worth to the Far East, to the European Continent, and to South America. One way of evading the difficulty is for the munition concerns to supply foreign orders through their subsidiaries in other countries, thus rendering the license at home futile. This was brought out forcibly by a delegate from Great Britain to the League of Nations. He was asked about the license system in his country, and replied: "We have no power to compel the manufacturers to give this information, and very few governments would have the courage to make them do so." This is literally true. There are ways of dodging the license system.

Moreover, the matter of publicity of armament export and import trade has been ineffective. The League has tried it. Statistics provided by the Yearbook of the League of Nations on the trade are unreliable. This was made clear by Dr. Salvador Madariaga last year, when he showed that there

QUIZ

Senate Investigator Raushenbush (with pipe) questions Major Casey, DuPont powder expert, while Chaco duel continues between Bolivians (top) and Paraguayans (bottom).



was a large discrepancy between the export and import figures. It is possible to export armaments and label them pianos, agricultural implements, rabbit skins, or anything else, and have the armaments reach their destination without hindrance. If the League of Nations has been unsuccessful in securing a reliable publicity of the facts in the trade, it is not unreasonable to suppose that any other central authority organized for that purpose would meet with similar difficulty in forcing publicity.

Halt Excessive Profits

A further proposal was made recently by Lammot duPont, president of E. I. duPont de Nemours & Co. Mr. duPont desires the "elimination of excessive earnings to apply to every business and every individual". This should be done, he says, "only in a time of national emergency, when the country's man power is being mobilized". A defect in this project is that it leaves the door open for profits in munitions and arms industries in time of peace.

The duPont profits during the three years before the United States declared war on the Central Powers were as follows:

1914.....	\$ 5,000,000
1915.....	86,000,000
1916.....	82,000,000

This makes a tidy little aggregate of \$173,000,000, all made in time of peace.

Mr. duPont calls for a "system of control permitting legitimate sales of arms for indispensable demands". The question may be asked, "What is an indispensable demand?"

Is it indispensable that imperialistic countries should police their subjects with bomb-dropping airplanes and tear gas bombs?

Is it indispensable that munitions

and armaments should be shipped to small non-producing nations such as Bolivia and Paraguay, and China and Australia, and Canada and New Zealand, and Yugoslavia and Poland, and other countries?

Is it indispensable that arms should be sent to colored peoples in South Africa in order to defend the interests of expansionist nations?

Is it indispensable that Germany should be supplied with arms because the Allied Powers have broken article V of the Treaty of Versailles, and are now surrounding Germany with a curtain of steel?

Is it indispensable that the strong nations be equipped with overwhelming navies in order to keep the weak nations down?

What constitutes an "indispensable demand"?

Japan thought she met an "indispensable demand" when she snatched several Chinese provinces. Certain powers feel they are meeting an "indispensable demand" in arming and combining against any attempt on the part of Germany to accomplish *Anschluss* with Austria. Hungary feels that she is in harmony with an "indispensable demand" when she favors revision of the Treaty of Versailles, which revision authorities say would eventuate in war. China thinks she meets an "indispensable demand" when she buys arms to meet Japan. The Honorable Winston Churchill and Prime Minister MacDonald are certain they satisfy an "indispensable demand" when they insist on a navy powerful enough to protect their trade routes and coast lines throughout the world. The Honorable Stanley Baldwin thinks he meets an "indispensable demand" when calling for an air force second to none for Great Britain. The United States is sure it meets an "indispensable demand" in

adopting a program of naval building to bring her to parity with the most formidable naval power of all time.

The fact of the matter is that no nation, or central authority, has prepared to date any satisfactory definition of what constitutes what Mr. duPont calls an "indispensable demand". These "demands" would not infrequently arise under government license and full publicity of the trade. The "demands" would be made just as long as the existing war machines and anarchic *status quo* remain.

Where is the solution? There is none save in the abolition of the entire war system. If private manufacturers connive and go to any length to market their wares, governments may do the same thing. Governments are closely allied with the present munitions racket. Governments could be allied with one another, even if private manufacture should go. If, in their hands, is placed authority to build up war machines, competition between governments, as between private concerns, would emerge.

Police Power Sufficient

The only way out of the dilemma is for the world to ground arms. Plans have been presented repeatedly that would bring the armaments of the world down to the level of a police footing. If this were done through a decent world disarmament conference, it would then be conceivable for the manufacture of armaments to be placed under government monopoly. Governments would then make armaments sufficient only for police power. This, followed by full publicity of all arms manufactured and by the appointment of an international commission with powers of inquiry to report to the League of Nations, would be a peacemaker.



SMOKE

Senator Nye (left) is trying to penetrate the cloud surrounding the munitions industry. Irene duPont (right) suggests the elimination of excessive earnings in national emergencies.

GOVERNMENT BY COALITION?

BY ROGER W. BABSON

Neither party is strong enough to stand up alone against the demands of the spenders of public money. A coalition government saved England in a similar crisis. Why not try it here in 1936?

IF THERE IS any group which today needs a code of fair practice, it is the politicians. They are competing with one another and cutting one another's throats in a very dangerous manner. The political activity in this country is like an unorganized industry which has an output capacity several times the demand. Under these conditions all engaged in the industry cut prices and cut wages in a vicious circle until the industries finally go into bankruptcy. This is the situation in American politics today.

The Republican party went to the polls in November, 1932, and was licked with the State of Maine leading the procession. The Democrats won on a program offering privileges to the forgotten man which he had never been offered before. The Democrats promised large expenditures on public works, on relief, and on anything else that would get votes. The Republican candidates preached rugged individualism and told the voters that the Democratic Santa Claus was a myth. The voters, however, were captivated by relief promises.

Anything for Votes

The general feeling was that when the Democrats came into power they would be like previous administrations and forget their promises to the forgotten man, the farmers, and especially to those unemployed. To the credit of Franklin D. Roosevelt, it must be admitted that he did not forget them, but rather to a large measure carried them out. It is true that he went back on his promised foreign policy. He did not reorganize the Federal Government as he hoped. He appointed Lew Douglas, a most able young man, a Director of the Budget; but the political pressure was too great and the President's economy program collapsed. The principal

trouble is that, instead of giving less to the voters than he promised, the President gave more.

Then we came to the election of November, 1934. Here again the Democrats went to the people on the basis of the New Deal, including huge expenditures for public works, indiscriminate relief, and special bonuses for the farmers and other groups. Most of the Republicans still endeavored to preach rugged individualism, clinging to principles of industry, thrift, and individual initiative. A few of these Republican candidates made about the same promises as did the Democrats. When the votes were counted it was found that candidates who clung to the old principles were defeated, while those who preached New Deal principles were elected.

As a result of this situation the leaders of both parties are now competing with each other in promising anything to get votes. Both parties are selling their birthright for a mess of pottage. They forget the good of the country. What this will lead to years hence makes one shudder to think.

The year 1936 seems to be shaping up to become another mere scramble for votes based on any promise to any person. Political leaders say that the people "have the bit in their teeth". Questions of right and wrong have been thrown to the winds. The fundamental principles which created America have been forgotten. It has become a grand mess. The nation is surely headed for a precipice unless something brings order out of chaos.

In looking around for a remedy, we find that England was in this same situation a half-dozen years ago. England had had a fairly conservative government for a long period of time. Owing to the fact that England always stood for free speech and never attempted to throttle the opposition,

this conservative government was kept fairly liberal. After the war, however, the plain working classes of England began to realize their power. They found that they were the ones who really won the war and they came back with a determination to develop a strong political party. They allied themselves with the old Labor party—under Mr. MacDonald—and developed an active political organization. They secured control of the government and immediately instituted a New Deal program.

Coalition in England

Some think that our own New Deal is original with Franklin Roosevelt and his brain-trust. The fact is, however, that Mr. Roosevelt adopted the idea from abroad. The Labor government of England spent huge sums for public works and relief. It endeavored to build up the farming population and subsidize the forgotten man by being a Santa Claus. All went well for a while, but in a few years the English credit was shaken, capital flowed to other countries, unemployment increased, and Labor party leaders themselves were frightened.

The king of England is certainly useful in an emergency. The leaders of both the Labor party and the Conservative party went to him for advice. He suggested a coalition party with Ramsay MacDonald, leader of the Labor party, at the head of the government, but with a cabinet made up largely by Conservatives. Of course some of the radical die-hards, such as Arthur Henderson, did not agree to this coalition; and many die-hard Conservatives did not go along. Most of the leaders, however, both Conservative and Labor, joined forces. They all agreed that it would not be a permanent affair and that it should last, as a maximum, not more than

eight years, while possibly four years would be sufficient. They called the new party the National party, and they went to the polls on such a basis.

A study of newspapers and magazines of that period is exceedingly interesting. We find most active leaders of both parties going to their constituencies appealing for the new National party. The Labor party leaders asked their people not to vote for the Labor party, but for the National party. On the same platform the Conservative leaders begged their followers not to vote the Conservative ticket, but to vote the National ticket. It was more a religious revival than a political campaign. Employer and wage-earner worked arm in arm, campaigning in the interests of the nation as a whole. It was a spectacle, and the results were extraordinary.

When the votes were counted, the new coalition government—known as the National party—came through with a tremendous plurality. From that moment conditions began to improve. English credit increased. English ships began to sail again to every foreign land. The textile mills started up operations. The whole economic situation changed over night. A certain amount of needed public works were built; but the silly competition which had been going on ceased. Those who were entitled to relief continued to receive it; but no money was handed out for political purposes. Government efficiency was increased and governmental expenditures were decreased. Business so expanded that receipts from taxation enabled the rate to be reduced. England again started upward.

Lasting Gains

Things are now so good in England that the people are actually forgetting the terrible condition that existed during the last few years of the Labor government. It is very probable that we will soon see the coalition National party go out of existence. This is nothing to worry about, as the party has served its purpose. Because we get out of the hospital, after we enter it, is no reason why hospitals should not exist. It is the same with coalition governments. It is even likely that at the next election the Labor party may again come into power; but it will not be the Labor party of ten years ago.

It seems to many people that the solution of the problem facing the people of the United States today is very similar to the problem which faced England a half-dozen years ago. This means that the correction of our problems can best be brought about by a coalition government for a period of, say, four years. No one party

today has a chance before the voters by recommending the curbing of relief, holding the veterans to their trade, taking the nursing bottles away from the farmers, and reducing appropriations for public works to a reasonable figure. In short, no political party can win an election at the present time on the platform of a balanced budget.

Divided We Fall

Only by both parties agreeing in advance to quit the dangerous competition and go to the people on the same platform, can we expect to get out of this dilemma. Unfortunately we cannot adopt the exact English system of solving the problem. The United States has a written constitution which England does not have. The United States lacks the intelligent and unselfish civil service which England has. There are other points of difference. There are, however, several ways by which a coalition government could be secured in the United States. I will briefly mention two.

(1) The leaders of both parties could get together and agree on identically the same platform. So far as possible these party leaders would agree on the same candidates. This could not be done in all cases; but in a large number of cases the best Democrats and the best Republicans in each state would be selected for this coalition ticket. I would hope that Franklin D. Roosevelt might be very glad to be candidate for President on the ticket of both parties, with a conservative Republican, such as Wadsworth, as Vice-President. This seems a fanciful dream at the present time, but a lot can happen in eighteen months.

President Roosevelt may not be as strong politically or as strong physically in June, 1936, as he is today. The Democratic party is wholly dependent on him. If he should drop dead today, the Democratic party would collapse like a house of cards. The present leaders of the New Deal would flee from Washington as Napoleon's generals fled when Napoleon was taken to Saint Helena. President Roosevelt knows this, and many of his associates know it likewise. It is very possible that in 1936 he would be willing to adopt such a compromise.

(2) If such an arrangement could not be made, another move would be to have the Republican party nominate for its presidential candidate a conservative Democrat such as Senator Carter Glass or the former Director of the Budget, Lew Douglas. Just as soon as it became evident that this would happen, one might see an independent Democratic party formed

which would be called the Jeffersonian Democrats. This new Democratic party would nominate this same conservative Democrat that the Republican party would nominate.

Thus a conservative Democrat, backed by four-fifths of the Republicans and at least one-third of the Democrats, would go to the polls against Franklin Roosevelt with a new radical party made up of progressive Republicans and radical Democrats. There also would be the usual small parties such as the Socialists, Communists, etc., but these would pull from the Roosevelt vote and not from the conservative vote.

As Republicans are realizing that they can never win by imitating the New Deal, this second method is very possible. I am sure if this second method were tried, Franklin Roosevelt would be defeated even in 1936.

Or Else a Dictator

As I look at the situation, we are confronted with three other alternatives: First, we may have a return of prosperity without inflation, which will cause business to so pick up that the budget can be balanced naturally. Business will be better; but whether it will be better to an extent necessary to get us out is debatable.

A second possibility is a Republican landslide due simply to a reaction against the New Deal program. The American people are very fickle. They are willing to try anything once; but they are impatient and are just as crazy for a second change as they were for the first. The history of the prohibition and repeal movements clearly demonstrates this.

A third possibility is a dictatorship. It seems as if this would be beyond reason in the United States. Really there is no excuse for it. On the other hand, some new country is coming under the control of a bellowing dictator each year. Every year the United States is coming closer to it.

It may be that one of these three things may happen, thus forestalling a coalition government. I believe, however, that a coalition government would be better than any of them.

Just one word in closing. I am no stand-pat Republican. I have voted the Democratic ticket as many times as I have voted the Republican ticket. I believe in equal opportunities for all, and subsidies for none. I believe that the wages of men are more important than the wages of money, and that the future of America depends not on the wealthy class nor on the poor class; but on the great middle class. It is to the interests of this great middle class that I appeal for a coalition government for four years, so as to start over again on the right track.



STARHEMBERG

BY ROGER SHAW

Here is a strange combination of Richard Lionheart and Benito Mussolini, medieval crusader and post-war fascist. This last of the Austrian barons functions as dictator.

DURING THE YEAR that William Penn consolidated Philadelphia, the savage Turks, out of the southeast, laid siege to Germanic Vienna. It was a critical time for European civilization—this 1683—and Poland rushed to the rescue with her famous chivalry of armored knights. But the real savior of the Hapsburg metropolis was an Austrian of ancient lineage, Field Marshal Count Guido Starhemberg, whose forces routed the wild Osmanli and preserved *Kultur* for future generations. Starhembergs had been heard from before, and indeed have been heard from since.

Today Prince Ernst Starhemberg is all-powerful as Austrian dictator. He is, furthermore, the last of those medieval barons whose Gothic hornet's nests sit perched along the Rhine and Danube. The present Starhemberg is said to have thirteen hoary castles in or about Upper Austria, and like his ancestors he employs a horde of feudal retainers. They are called the Heimwehr.

Ernst Ruediger Camillo Maria Starhemberg was born in 1899, at Castle Efferding in Upper Austria, as the seventh prince of his line. His earlier ancestors were eleventh-century crusaders. His mother was a Countess Larisch von Moennich before her marriage to the sixth prince. History tells us that during the eighteenth century the most illustrious Austrian families were Liechtenstein, Esterhazy, *Starhemberg*, Schwarzenberg, Dietrichstein, Lobkowitz, Khevenhueller, Paar, Clary, Harrach, Auersperg, Colloredo, Kaunitz, and Windischgraetz. The Starhembergs are still going strong, as shown by daily press reports.

Young Starhemberg is big, healthy, and good-looking in a rugged outdoor sort of way. He likes to wear short leather breeches and a green Tyrolese hat with feathers. Noble countryman, he is a product of the soil and of rustic reaction. His aristocratic old mamma is an Austrian delegate to the League of Nations, and a *grande dame* indeed. Royal English Windsors are bourgeois parvenus to the Starhembergs and their relations, who doubtless trace their origins back to Thor and Wotan and Widukind.

Prince Ernst served on the Italian front in the World War and was severely wounded. He made a gallant record there at 17, as any Starhemberg should. The close of the war found him restless and eager for more knight errantry. There were numerous frontier disputes, accompanied by some fierce guerrilla fighting, and the prince fought in German ranks against the Poles in Upper Silesia, and in Austrian ranks against the Jugo-



Major Emil Fey, righthand man of Starhemberg and his movement.

slavs along the Styrian border. He showed himself an accomplished free-companion by heredity, and then attended the universities of Innsbruck and Munich, for warfare had sadly interrupted his academic education.

In Munich the prince fell under the spell of Adolf Hitler and his racial doctrines, and he participated in the famous Hitler-Ludendorff putsch of 1923—the beer-hall putsch. When this failed disastrously with the jailing of Hitler and the trial of Ludendorff, Starhemberg returned to the ancestral estates in Austria—a democratic Austria in which Hapsburgs and Starhembergs were at very much of a discount.

The pre-war Dual Monarchy has been described as a German head

upon a crazy polyglot body. Post-war Austria was the decapitated German head. The old empire had close to 50 million population; the new republic had about 6 million!

Vienna was in complete control of the pink and pacific Social-Democrats—natural enemies of feudal warhorses like the Starhembergs. The Viennese, like most city dwellers, were sophisticated and agnostic. The countryside, Catholic and conservative, was in violent opposition to municipal heretics.

Starhemberg, of course, sided with the peasants and became their leader, as befitted a noble lord and landlord. He organized the Heimwehr as his private army, camping and drilling them on his great estates, and arming them with grenades, automatics, and machine-guns. Green-shirted, these gangsters became a menace to society as the Austrian feud between liberals and conservatives gradually increased in bitterness. Occasionally Starhemberg would appear in pink Vienna, clad in his leather breeches, but generally he was ranging over agrarian Austria inspecting his widespread Heimwehr network.

Early in 1933, Hitler came to power in Germany. In Austria there arose a native party of sympathetic brown-shirts, mostly bourgeois and free-thinking. Starhemberg had been the friend and disciple of the little Reichsleader a decade earlier; but the neo-paganism and leveling tendencies of the German nazis displeased him as a Catholic aristocrat. Nazi methods of direct action naturally appealed to him, but he preferred to continue as a swan in the little Austrian pond rather than as a mere duckling in the German sea. He vigorously opposed

union with Germany, and also turned against those Austrians—and there were many of them—who favored the *Anschluss*, or Pan-German solution. This stand by the prince brought him into alliance with tiny Chancellor Dollfuss, a Catholic ex-peasant who hated Vienna and progress.

Dollfuss, a clever politician, considered the Starhemberg Heimwehr a tremendous asset, and he assumed a clerical dictatorship in 1933 under the watchful Starhemberg eye. Meanwhile the prince conceived a vast admiration for Italian fascism and Mussolini. He became an outstanding Italophile—a fact which would have shocked his blond, square-headed ancestors profoundly. The family ghosts would have preferred Hitler. The Heimwehr and the trans-alpine blackshirts established a close accord, and the prince made jaunts to Rome; as did Dollfuss, who was deeply religious.

Two Austrian Wars

Then things came to a head in Austria. In February, 1934, the Heimwehr attacked the Viennese socialists, aided by gas, heavy howitzers, and federal police. Mussolini had prompted the action. The pink burghers resisted with sporting rifles and rusty 1918-model machine-guns, but were worsted after four days of bloody struggle. Model tenements of Vienna, considered the finest in the world, were partially destroyed; and the city fathers were killed, jailed, or forced into exile. Starhemberg and his lieutenant, Major Emil Fey, directed operations and kept the hangmen busy for weeks thereafter.



PUTSCH!

The Austrian regular army is moving up to support the Heimwehr in the terrific fighting of early last year.



WAR

Nazi coup in Vienna, staged late last July. It failed.

"Hatchet-face" Fey, noted as a militarist and martinet, especially distinguished himself. Pink Vienna was crushed, but the Austrian nazis were still to be heard from.

Late in July the brownshirts rose, captured the federal chancery, and shot Dollfuss with a swift brutality. A section of the well-armed Styrian Heimwehr, under Protestant pastors, supported them in a brief civil war; but Starhemberg and Fey, with the vast majority of Heimwehr behind them, crushed the browns as they had previously crushed the pinks. In Germany, Hitler disavowed his Austrian confederates; while Mussolini moved an Italian army to the Austrian frontier to support Starhemberg if need should arise.

Kurt Schuschnigg, clerical and reactionary, succeeded Dollfuss as chancellor; while Starhemberg became vice-chancellor, with Fey as minister of interior. Within the new government, Starhemberg's Heimwehr and Schuschnigg's Catholic storm-troops glared at one another like the feudal men-at-arms of two baronial rivals, or the gunmen of two Chicago beer-gangs. To date, the Heimwehr have the edge.

Sharp Divisions

The curse of the Austrian situation—a European danger spot still—is that no coalition seems possible between the three diverse factions: Starhemberg's Heimatblock is agrarian, clerical, pro-Italian; the nazis are bourgeois, neo-pagan, pro-German; the socialists are urban, agnostic, internationalist. Each of these three parties dislikes the other two cordially, and

the population is fairly evenly divided between the three. The Heimwehr and clericals—who have outlawed browns and pinks under the existing dictatorship—hold the support of less than half the nation; and one can do anything with bayonets except sit on them indefinitely.

Furthermore, with true Austrian laxity, the Starhemberg dictatorship is an easy-going affair as compared to the machinelike regimentation of Hitler or Mussolini. There are comic opera aspects, for one can purchase plentiful biographies of the hated Hitler in Vienna, but few of the national hero, St. Dollfuss. Outlawed nazis, who are supposedly liquidated, argue with government officials and scold them roundly!

Of late, Austro-German relations have improved to the surprise of many. The German nazis, under Goebbels and Rosenberg, have had Austrian ambitions; while they preached friendship with Poland, Germany's traditional foe. With Poland they signed a ten-year peace pact in 1934, while they tried to annex Vienna. But the German aristocracy of Reichswehr generals and Wilhelmstrasse diplomats favor letting Austria alone, while they are anti-Polish and demand a return to Germany of the Polish Corridor. It is due to the increasing influence of these bemonocled "fine people"—these Junkers—that Berlin and Vienna are again on speaking terms, and the "monocles" would like to sabotage the German-Polish agreement for which the nazis were responsible.

In other words, the South German nazis want to annex Austria, while the East Prussian aristocrats would



Starhemberg, rustic at heart, likes to wear the native costume of Austria.

like instead to re-annex the Polish Corridor. This is the conflicting double-keynote of German foreign policy today.

Prince Starhemberg, who stoutly favors his country's independence, is a determined enemy of trade unions and political parties. He dislikes the class struggle, as waged between employers and workmen, and also the political struggle, as waged between partisan machines. Starhemberg is a devoted admirer of fascism and Mussolini, and hence has introduced the "Italian" corporative state into Austria upon the Italian model.

Instead of a parliament, Austria has now a system of four consultative organs which are said to emanate

(Continued on page 68)

© Wide World



Heimwehr capture a radio broadcasting station seized by the rebels.



VORWAERTS

A long column of the Heimwehr, private army of Prince Starhemberg, which has medieval aspects.



WINTER

At Valley Forge, in 1779, Dr. Thacher described the horrors of frozen feet with amputation frequent, surgical equipment meager, and no anesthetic.



SWISS

Fabricius Hildanus (1560-1634) practised in Bern. He denounced the red hot knives and caustics of his predecessors and records many successful cases.



PLAGUE

The Paris Plague of 1581 gave Etienne Gourmelen his opportunity. He was in the front rank of the surgeons who contributed most to French surgery.

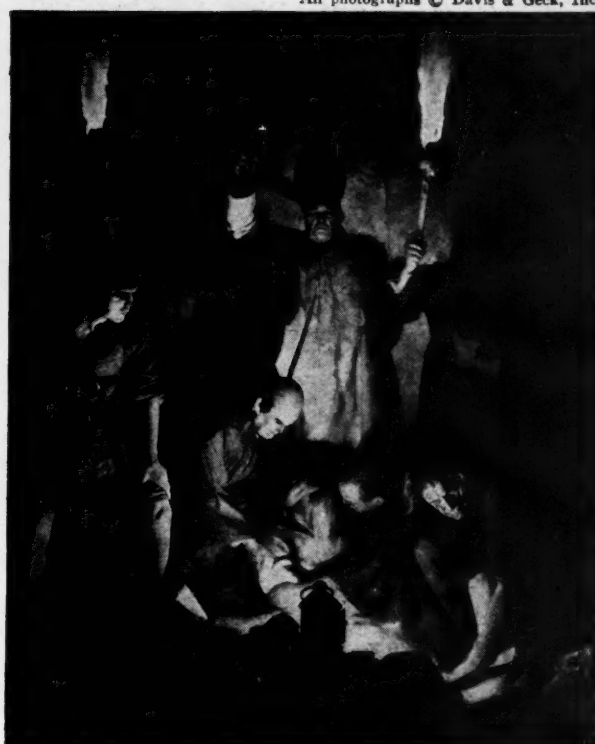
IN DAYS GONE BY

The dangers besetting surgery in earlier times have been brought home to readers of today by the skill of the modern photographer and by painstaking study of historical detail. Photographic illustrations were made by Lejaren à Hiller, of Underwood & Underwood, for Davis & Geck, Inc., manufacturers of surgical sutures. The pictures have been selected from a larger series, all of which bear directly or indirectly on the use of sutures, or ligatures, or in simple terms, the thread or substance with which a surgeon makes his stitches.



VAPOR

Anesthetic was used by Guy de Chauliac (1300-1368). He rendered his patients drowsy with sponges containing lettuce, opium or hemlock dipped in hot water.



PLASTIC

Gaspere Tagliacozzi (1546-1599) was the first educated surgeon to meddle with the hand of God, as the ecclesiastics regarded it, by plastic surgery.



SKILL

Jeremias Trautman of Wittenberg in 1610 performed the first complete cesarean section of record. Neither pain nor loss of blood was excessive, the patient testified.



BONES

Study of fundamentals made Pierre Franco one of the skillful surgeons of the Sixteenth Century. Bilateral hernia was his specialty. He was also an author.



STAMPS PER OZ. *Scales showing the first, second, third class and parcel post charges to all zones are used in offices and factories everywhere. They can be easily read at a glance.*

WHAT DO YOU WEIGH?

BY ROGER WILLIAM RIIS

Everything that we use, wear, eat, drink, read or see in our daily routine has probably passed the critical test of the scales. Human beings are only one of many millions of things that are weighed.

FOR THE PAST eight months the Dionne quintuplets have consistently occupied Page One. When the "quins" gain a couple of ounces the news was always worth a stick of type, and when they lose weight millions of newspaper readers frown ominously with Dr. Dafoe. Their persistent fight for life rouses the interest of human beings everywhere.

If you stop to think about it, it is a significant fact that the gauge of public interest in the babies was their weight. Parents take pride in their children in proportion to weight. Why is it that everyone knows how much he weighs, when he is uncertain about his height, or the name of his grandmother, or the size of his pajamas?

People are acutely interested in

their weight. Ask the man who had the "Guess Your Weight" concession at the Chicago Fair. In its first year 22,000,000 persons visited the fair and 1,125,480 got themselves weighed. In its second year there were 16,000,000 visitors; and nearly 1,300,000 were weighed. One in every 12 persons. This was no free weighing either; you paid 15 cents for it.

Furthermore, to show the extent to which people are "scale wise", let it be said that the owners of the concession attribute the increased patronage the second year to a change in type of scale. In 1933, the scales were chairs which depended from springs, and the operator had to steady the chair with his hand after the customer got into it. That laying of a hand on

the scale aroused much suspicion. In 1934 the scales were replaced by automatic platform scales having no springs, and thousands commented on the fact. "You can't fool these scales", they said. In fact, one of the old type was kept in operation for purposes of comparison; that scale weighed 39,000 people during the summer, while each of the others averaged 114,000.

But human beings are only one of millions of things that are weighed. Weighing is the universal background of our daily life. Everything we use, everything we wear, everything we eat or drink, everything we read, everything we see around us has to pass the critical test of the scales at a crucial stage in manufacture.

Scales have weighed out the milk we had for breakfast this morning, and the cereal, sugar, coffee, salt—even to eggs, when eggs are sold at wholesale. Meats, vegetables, ice cream, fish, candy, about every food there is, we buy or sell by the pound; about every drink, too. Is that surprising? Wait and see.

The average American rural family eats 9,571 pounds of food annually. That is just under five tons. Quite a lot of weighing in that. But it is all weighed, probably several times over, in its long course from the producer to the consumer.

Shoes to Hats

The material in our hats is measured by weight when the hats are made. Our clothes pass over scales. Weavers buy cotton and wool by the pound; and they have ingenious scales to tell them how much yardage there is in every bolt of cloth. Hides for our shoes are sorted according to weight. This paper is sold by weight.

The use of weighing and of scales is far more extensive today than it was even a few years ago. The twentieth century's demand for speed and efficiency, in manufacture and in distribution, has developed all types of machinery to an advanced state. Weighing is a process which typifies this modern day. We insist on accurate knowledge.

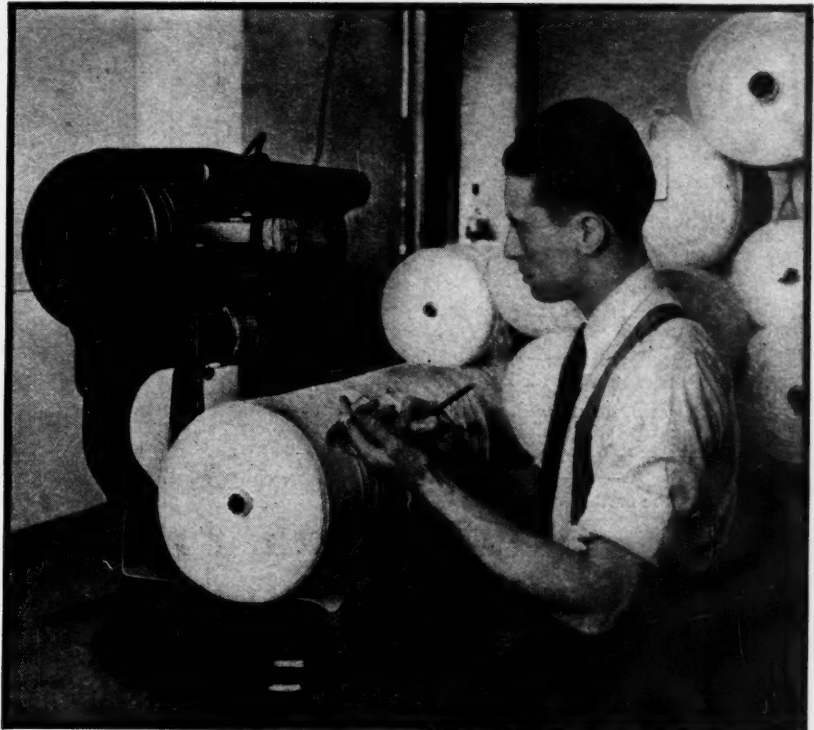
The scale is unique among man's instruments in two ways. For one, it makes use of the one and only unchanging, unvarying force known in the world. Every other force, every other source of power, changes and shifts. The sun's heat is never twice the same; different kinds of gasoline have different power factors; electric currents alter constantly. Gravity alone knows no faintest change. The scale uses this eternal force.

Again, the scale is the only mechanism which performs a job, furnishes its own power to do that job, and registers the result. Other machines receive power from some outside mechanical source. Not so the scale. It weighs amounts from a milligram to many tons, and directs itself entirely in so doing. It is an entity complete in itself.

But don't deceive yourself into thinking that the scale only weighs. It is the unfaltering performer of scores of intricate operations throughout industry, things of which you would never believe a scale capable. For instance, the modern automatic scale is used, today, for:

Insuring the unvarying thickness of U. S. paper money;

Controlling the amount of sand on sand paper, and stopping the production if the amount varies;



TEXTILES

When a bolt or roll of fabric is placed on the scales, the length in yards and fractions is accurately shown.



Toledo Scale Co.

INTEREST

Every man, woman and child is vitally interested in his weight. It is a good indicator of one's health.

ODDITIES

An average signature weighs something like 36,000 to an ounce, or several years of signing at a normal rate.

The average man weighs 153 pounds, the average woman 140. The average man carries in his pockets $\frac{1}{2}$ pound of money, keys, pencils, and the like. The average woman carries $1\frac{1}{4}$ pounds in her handbag.

A pint of water does not weigh exactly a pound, but 1.04 pounds.

The average human brain weighs 3 pounds.

An inch of rain on the average American house and lot has a total weight of 46.7 tons.

A normal stroke on a piano, in playing a chord, weighs $1\frac{1}{4}$ pounds; on a typewriter in hitting a letter, $\frac{1}{2}$ pound.

The world, we are told, weighs $6\frac{1}{2}$ sextillion tons. Its heaviest element, if it could be collected in a pound lot, weighs at the rate of 1400 pounds per cubic foot. That is osmium. Lead weighs half that.

The scale mechanism which is capable of weighing all these things (except the earth) weighs only $10\frac{3}{4}$ pounds.

Detecting "seeds" or flaws in optical lenses;

Counting the number of nuts, bolts, or screws in a barrel;

Finding the center of mass of connecting rods;

Verifying the purity of city water supplies;

Locating the radii of power sectors;

Determining the amount of moisture in bolts of cloth;

Calculating the price of food sold by grocers and butchers;

Making file records of weights in coal mines, etc., and of date and nature and destination of material weighed;

Toledo Scale Co.

Controlling the *quality* of all kinds of beverages, from beer to milk;

Registering the daily production, and arrivals and departures of swarms of bees;

In wind tunnels, for showing stress and strain of planes under test;

For packaging noodles, tacks, and many such small objects which no other device can handle efficiently.

One widely known scale company in Toledo has a department whose sole duty is to supply manufacturers with the consulting service they demand. A score or more of requests for technical engineering aid come to this department monthly. One re-

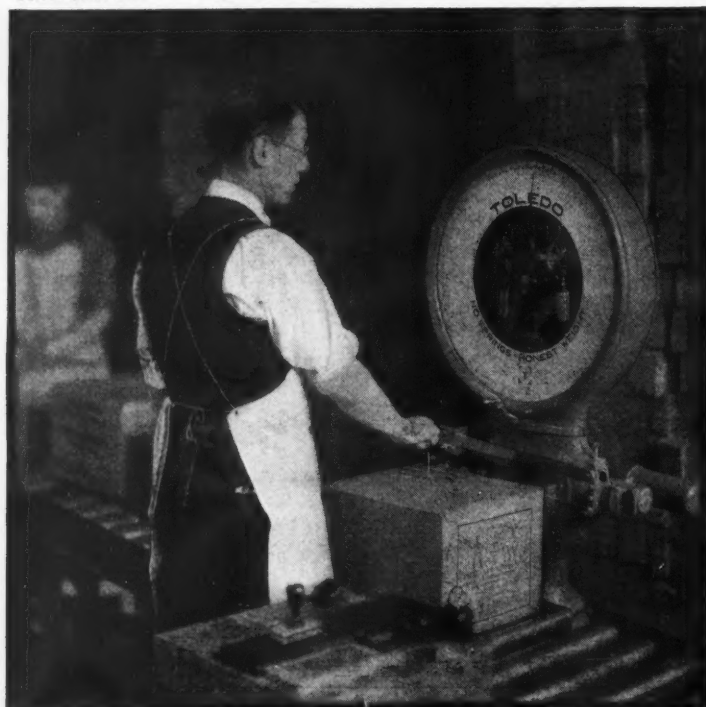
cent request was that listed above, to do with packaging noodles. It need not be noodles, for the same principle is now applied to sugar, or any substance that can be made to flow smoothly. Noodles are more difficult to handle because they cling to one another and are troublesome to apportion to packages in equal amounts.

The company's reaction to this request is typical of modern industry. After studying the problem it built a vibrating conveyor with an "electric eye" attachment. The conveyor belt shakes the noodles along and into the package. When the package is nearly full, the scale goes down a bit, drawing a metallic curtain partly over the light from the electric eye, and the conveyor's vibrations slow up. Noodles then fall more slowly into the package, and still more slowly, until the last one is dropped in as calculatingly as by a human hand.

More than human is the scale that counts. Do you need to know how many nuts or bolts there are in this box or bin? The pieces to be counted are placed on the scale platform. A few similar pieces are placed in a "unit pan". You set an indicator to the number in the pan, and the scale immediately tells you how many pieces are on the platform.

A phenomenon of accounting? Hardly! The scale merely discovers, by weighing, that there are so many times as many in the larger mess as in the smaller one; and where two hairlines cross on an accounting chart affixed to the scale (equipped with

International Business Machines Corp.



BREAKAGE

Scales are widely used to show breakage or other serious shortage in liquor packaging.



ACCOUNTANT

Scale shows the number of pieces in any load.

a magnifying lens) you read your answer. With equal facility the device counts yards or gallons.

Again, the great wind tunnels which are used today to test model airplanes depend upon scales for their function. Scale engineers construct the levers, indicating, and recording mechanism used.

The alert scale manufacturer is very much alive to all this demand, and is constantly perfecting new models. Two of the 1934 developments are a sensational retailer's scale which instantly calculates the cost of any article placed upon it, and an industrial scale, the Printweigh, which makes printed records of material weighed, showing its source, destination, weight, and other desired details. Scales which print weight have been known for many years; but the industrial models have taken many seconds for cogs and wheels to work into position. The new one prints in a tenth of a second and is capable of keeping far more complete records. The value of this in coal mines, chemical plants, and industries where many different weights of varied materials are being shipped, is hard to overemphasize.

Not only is the industry alive, but there are rumors, from what Washington reporters call "usually well-informed sources", of developments to come this spring which will vitally affect many industries outside the scale industry. Research and collaborative effort are responsible.

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Toledo Scale Co.



MACARONI

This scale assures the utmost uniformity of content in packaging macaroni and other types of food products.



SKEINS

Rayon skeins vary somewhat in weight. The young ladies in white are selecting ones of the proper weight to bring the total weight of each package to a pre-determined, uniform amount.

THE MARCH OF MINDS AND EVENTS

Return to Reason

THIS NEW PROGRAM of emergency public employment should be governed by a number of practical principles:

1. All work undertaken should be useful—not just for a day, or a year, but useful in the sense that it affords permanent improvement in living conditions or that it creates future new wealth.

2. Compensation on emergency public projects should be . . . not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment.

—FRANKLIN DELANO ROOSEVELT.

The President went on to state five more principles; but these two are enough to show that the Administration is big enough to acknowledge errors.

Our favorite relief worker got \$5 a day, later \$4, for raking leaves and joining his comrades periodically about the circle in the laborious task of watching them burn. This pay is quite as much as he formerly got driving a street car, though he complains bitterly about half-time employment. He uses his own car to get to and from the scene of operations.

Wealthy Old Age

DR. TOWNSEND'S simple prescription for prosperity—to have the Government pay \$200 monthly to each person over sixty—reaches Congress with millions of signatures. To expose its fallacies is to wound the feelings of all who signed the petition. To keep silent is to aid a queer combination of idealists and morons to establish by legislation a scheme that in its simplicity ranks with perpetual motion and lifting oneself by one's own bootstraps; and a scheme that would have disastrous consequences.

This Townsend plan needs no debate for the affirmative, no argument by the prosecution. It is sufficiently gilded to sell itself. Almost all persons over sixty would like to receive a life pension at the hands of an appreciative government. Almost all persons whose parents are over sixty, ditto. Almost all persons who are approaching sixty—say already past the half-century mark—ditto. The eyes have it!

Here are some Townsend plan fallacies:

A pension of \$200 monthly to Pa and Ma is a total of \$4800 a year. It is equal to an outright gift, on their sixtieth birthday, of \$120,000 invested in Liberty bonds. A mere bagatelle, a slight token from their Uncle Samuel.

Leaving out of consideration the abominably rich, how many individuals would send, of their own money, \$50 each week to Pa with an extra \$50 to Ma? The average individual plainly could not afford it; and the country is nothing more nor less than the aggregate of its individuals.

The only requirement is that the pensioner must spend the money, in the United States, within the month. Keeping money in circulation is the crux of the plan. But how many watchers—non-producing parasites—would Uncle Sam need to employ to overcome a natural inclination to save some of this sudden wealth? Would grown-up children quit work to help their parents spend, thus reducing the number of producers and therefore the national income?

We have been so successful in lengthening the span of life that the last census found 10.4 million persons over sixty living in the United States. A monthly pension of \$200 each would require 25 billion dollars a year. Our total national income is less than 50 billion dollars a year. This national income cannot be more nor less than the aggregate income of individuals.

Thus 50 cents out of every dollar we spend (assuming that we spend all of our income) would go, not for what we buy, but for this pension fund. The sales tax with which Dr. Townsend proposes to find the money would need to be a 50 per cent tax. As a consequence the price of everything would be doubled. A dollar's worth of coal would sell for \$2. Half of this would be divided among all who helped to produce and distribute it, and half would go to Washington for the pension fund.

If you could by some magic keep present prices from doubling, and still send 50 per cent to Washington, you would reduce by one-half the amount now divided among producers and distributors, thus cutting in half the nation's earned income.

Walter Lippmann's articles for the New York "Herald Tribune" drew a reply from Dr. Townsend, which discloses the colossal error of the whole plan. The California physician's prescription for a happy old age assumes a taxable fund of 1200 billion dollars—24 times the national income. Mr. Lippmann suggests that Dr. Townsend apparently believes that if a farmer sells a bushel of wheat for a dollar to a miller, who sells it as flour for two dollars to a baker, who sells it as bread for three dollars to a consumer, there is a fund of six dollars subject to tax.

An error of a mere 1150 billion dollars these days cannot be counted upon to discourage those who would bring recovery by signing a petition and passing a law.

Jobless

THE INTERNATIONAL Labor Office says that on January 1st, unemployment in twenty-eight leading countries totalled 20,000,000, or 1,000,000 less than on January 1st a year ago. If unemployment affects an average family of four, then about one person in ten in the western world is still directly affected by unemployment—and must be fed, clothed, and housed by the commonweal. In most countries unemployment is declining, but less rapidly than before.

In the United States there are contradictory figures, based in part on estimates and approximations, which the Labor Office duly reports; but the trend, at least in the last quarter of 1934, was upward. The fact remains that in the sixth year of depression there are no accurate figures, government or otherwise, on this country's greatest single problem—unemployment.

Wrong by \$4,000,000,000

A YEAR AGO, the President himself reminds us, a definitely balanced budget was proclaimed in advance for the fiscal year ending June 30, 1936. But as the President lives he learns. His hope of a year ago is modified. "With the single exception of one item," he says now, "every current expenditure of whatever nature will be fully covered by our estimate of current receipts." The single item



By Carlisle, in the Des Moines Register

MANPOWER!

Ten million unemployed Americans, portrayed collectively as a pet dinosaur, are eating their little heads off. The congressional and presidential cavemen are wondering what measures to take, in order to harness up this stupendous bulk for constructive purposes.

amounts to some four billion dollars.

This trifling amount, greater than the entire expenses of the Government in a pre-depression year, the President recommends for appropriation by Congress "in one sum, subject to allocation by the Executive principally for giving work to those unemployed on the relief rolls".

News Value

THE TREASURED "Times" gives two columns to an account of the Supreme Court trial of the gold clause, and four solid pages in the same issue to testimony in a Jersey kidnaping trial. No one disputes the editor's appraisal of the public interest. Yet a decision in the gold case adverse to the Government, according to the Attorney General, would increase the public and private debt of the nation by more than 69 billion dollars.

Question: If a decision of the Court, nullifying the act of Congress which voided the gold payment clause, could increase public and private debts by 69 billion dollars, did not that same act of Congress decrease the same debts by the same amount? And when debts are decreased by act of Congress, rather than by payment, is it not confiscation? Out of their own mouths shall we judge them.

Presidential Backbone

THE BONUS bill, which will be passed by Congress and vetoed by the President, places FDR in distinguished company. Coolidge vetoed the original measure in 1924, although the burden then was spread over twenty years. Hoover's vigorous denunciation of earlier-payment plan was a factor in his defeat for reelection. Now comes the third President—member of a different political party, champion of the Forgotten Man—to defend the public treasury against the demands of an organized minority. Six out of seven veterans have already borrowed on their certificates, an average of \$556 each. The ultimate average value, ten years from now by accrued interest, is \$1000.

Foreign Trade

THERE ARE no reasons why Americans today should feel that we had better, or must, or even can, stay in our own backyard.

—JOSEPH C. ROVENSKY

But, the Chase National Bank vice-president adds, "the realization is growing that we must buy in order that we may sell. Foreign trade is truly reciprocal". He finds conditions improving in South Africa, Australia, and most of the countries of South

America. There are indications, also, that the nadir of depression has been passed in Canada, England, Germany, and Sweden.

The Second Export-Import Bank, formed in March, 1934, especially to stimulate trade with Cuba (the first bank was to handle trade with Russia), is ready to help both exporters and importers in all directions.

For eleven months of 1934, U. S. exports totaled 1962 million dollars in value, compared with 1482 millions in the same period of 1933. It was a rise of 33 per cent. Imports were 1522 millions, compared with 1316, or a rise of only 16 per cent. Our salesmen abroad are more successful than the economists at Washington who seek ways to permit more abundant but painless entry of foreign products.

How to Recover

RAILWAY LABOR believes that recovery of our industry must depend upon enlarging employment opportunities . . . We propose a six-hour day for employees of carriers engaged in interstate commerce . . . Our bill protects the present standard day's wage.

—AMERICAN RAILWAY EXECUTIVES ASSN.

(A labor leaders' organization)

The six-hour day, unless it is put in at the expense of labor, will add at least \$400,000,000 to railroad expenses.

—JOSEPH B. EASTMAN,
Federal Railroad Coördinator.

Note how the railroads are to be helped toward recovery by their organized employees. "Our bill" is already prepared. All that is necessary is enactment by Congress, approval by the President, and acceptance by the courts. Railroad management and railroad ownership need not be consulted.

You Can't Even Run Away

SOME EMPLOYERS require drastic measures to awaken them to the fact that a welfare measure like the National Industry Recovery Act must be adhered to if there is to be paid that respect which citizens owe to their country in time of economic war.

—WILLIAM HARLAN BLACK,
Justice, N. Y. Supreme Court

So the Court granted the plea of the Doll and Toy Workers' Union, and decreed that doll manufacturer Ralph A. Freundlich of New York City shall not move his plant to Clinton, Massachusetts. An alternative laid down by the union and approved by the Court is that he shall employ only

union members in the Clinton factory, where the force is said to number 6700 workers.

France's New Deal

IF I CAN obtain a deflation of egoism and a deflation of pessimism, I believe France will win through. She must believe in herself, instead of doubt; discipline herself, instead of dispersing herself in factions; be enterprising, instead of smug; and act, instead of speak.

—PIERRE-ETIENNE FLANDIN,
Premier of France.

A fireside radio talk, by the man who is becoming known as the Roosevelt of France, lays down another New Deal. Like the original New Deal, it is somewhat vague in its beginnings. And there is the disarming advance apology for error: "Between those who risk being wrong and do something, and those who for fear of being wrong prefer to wait, the country must judge. I prefer to take risks." Financially and industrially, as well as politically, France had been drifting toward the rocks.

Republican Praise

THE INCREASE in the number of companies reporting profits is encouraging evidence that business is ready to advance whenever there is opportunity. Meeting severe tests has its advantages. Another factor is the willingness to cooperate behind a chosen leader.

—JAMES G. HARBORD

The General is chairman of the Radio Corporation of America, a \$100,000,000 concern. But he is also widely known as a recent president of the National Republican Club in New York City.

Divorce Mill and Bill

THE LAWYERS of Reno estimated that 1934's marital squabbles brought at least \$500,000 to Nevada from those who wanted to end it quickly and painlessly. Divorces increased 21 per cent from 1933, some 2,789 being granted. A further increase is expected with returning of prosperity, when more people can afford them. But twice as many marriage licenses were issued—which means that our most sorely tried institution, Marriage, is holding its lines in the heart of the enemy's territory.

Competition between Reno and Yuma, Arizona, for the mythical and useless title of the "marriage capital of the West" continues hot. Reno still leads with 5,629 marriage licenses in 1934. Yuma had 4,334. You pays your money and takes your choice.

WINTER SPORTS AND SPORTSMEN

BY ISABELLE STORY

The national parks are being used increasingly by winter sports enthusiasts. Today tobogganing, skiing, skating and bobsledding are leading the popularity parade when winter shoots icy blasts.



SPILLS *The tin-can slide in Sequoia National Park offers winter sport enthusiasts a reckless "roll in the silver hay" with a minimum of danger. Switzerland has nothing on this joyous frolic.*

NATIONAL parks are definitely on the winter sports map. They were put there by the National Ski Association at its meeting in Chicago early in December, when it selected Mount Rainier National Park, in Washington, as the scene of its national championship downhill and slalom ski races to be held next spring. At the same time, Rainier will be used for the tryouts to select a ski team for the Olympiad at Garmisch-Partenkirchen, Germany, in 1936. These are the two greatest American skiing events of the year.

Long before the action of the National Ski Association made the parks loom large in the public consciousness, ski experts throughout the coun-

try and abroad had recognized the exceptional advantages which Mount Rainier, and its sister parks of the High Sierras—Yosemite, Sequoia, General Grant, and Rocky Mountain offered for this type of winter sports.

Scheduled ski tournaments on thrilling snow-covered slopes drew famous skiers, while amateurs and novices gained courage and experience on gentle slopes under expert guidance. Regular seasons for following cold weather sports in these high mountain areas were inaugurated and drew large crowds from the neighboring towns seeking contrast and the invigoration that comes from indulging in winter sports. For, paradoxically, these areas of unusually heavy snow-

fall and ideal winter sports conditions are located within easy reach of seacoast and valley towns which experience mild winters.

The interest in winter sports was especially noticeable last winter. Following a summer vacation season of curtailed travel throughout the country generally, and notwithstanding exceptionally mild weather which resulted in poor conditions for winter sports, winter use of the national parks more than doubled. This year, with heavy snows beginning in November, the national park winter sports devotees are more than usually enthusiastic.

The national championship ski races and the Olympic team tryouts

in Rainier National Park will take place on April 13 and 14 in Paradise Valley. At that time only the dormer windows of well known Paradise Inn will be visible, peeping out from great masses of glittering snow. The entire park area will be a fairyland, attracting thousands of visitors who will serve only as spectators, appreciating the exquisite beauty of the park as much as the skillful skiing.

The downhill ski contest of the national championship races will be held on the Silver Ski Course which was inaugurated last year. It extends from Camp Muir, high on the slopes of Mount Rainier at the 10,000-foot level, to Paradise Valley. This route, considered one of the most difficult trials anywhere for skiers, involves almost five miles of skiing and turning, with a vertical drop of a mile.

Sports for Softies, Too

In addition to the Silver Skis Championship contest, annual snow-sport contests are staged by chambers of commerce of nearby cities, and mountaineering clubs hold annual outings in Rainier. Skiing, although the most spectacular and breath-taking of the winter pastimes, is not the only one. For those who prefer milder activities, there are always the four-horse sleighs, the swift toboggan slides or old-fashioned snow battles.

In Rainier the days, though cold, are not too cold. Nearly always there are a few hours of warm sunshine. The nights are brilliantly cold and clear, with a headiness in the air as stimulating as old wine. After the sun has sunk behind the mountains, starlight and moonlight bring out the mysterious beauty of sparkling frost. Outdoor sports are possible long after dark through the aid of highpowered flood lighting.

A still milder climate prevails in California's Yosemite Valley, because of the shelter of its granite cliffs. On the sunny northern side, where much of the amateur sport takes place, one may often, in the middle of the day, indulge in a snowball fight without benefit of heavy clothing. But it is different up in the high country of the park, above the valley rim, where exist ski fields that rank with the outstanding courses of Europe.

Between the more outstanding events, there are ice pageants on the largest outdoor rink in the West, skating carnivals, and skiing contests, following each other with amazing rapidity. Gymkhanas—novel games on ice or snow in which all may participate—and skijoring add to the fun, the latter being accomplished on skis behind especially trained horses. The sporty toboggan slide, built after study of the best in the country and abroad

and illuminated for night use, has a continuous conveyor that takes the work out of tobogganing by hauling sled and passengers to the top.

And Yosemite is the home of the ash-can slide. Ash Can Alley is the old toboggan course, abandoned some years ago when the new one was built. Someone conceived the idea of taking the handles from the tops of ash can lids, inverting them, and using them as sleds on which to crouch and whirl down the old toboggan slide. The idea caught like wildfire and Ash Can Alley became one of the most popular places in the park. There is a definite technique to this sport. The can rider must sit in the center of the inverted lid, with legs crossed and weight properly balanced. Then a gentle push starts him whirling madly down the slide. If luck is with him, and he keeps his balance, he may reach the bottom the way he started out, but more probably he will be tossed off into the soft snow.

Yosemite's skiing conditions are superb. Access to the rim above the valley by motor is possible over a road kept open by the park authorities. At the end of the forty-five minute ride one is up among the Sierra peaks, where some of the trickiest skiing imaginable may be had.

Not so long in the winter sports field, but increasingly popular, are Sequoia and General Grant Parks, also in the High Sierras. Last year

Sequoia held its first winter sports carnival, and early this past January (1934) it was host for the first time to the Winter Sports Carnival, sponsored by the California State Chamber of Commerce and previously held in Yosemite. Skiing and skating, the two most popular winter sports in California, are the leading cold-weather amusements in Sequoia.

Last year for the first time, Mount Whitney, the highest peak in continental United States, was the successful objective of a ski trip. Otto Steiner of the German-Austrian Alpine Association made this record, accomplishing the 200-mile journey in five days and getting within about one hundred feet of the summit that reaches 14,496 feet above sea-level.

Rocky Mountain National Park in Colorado is becoming increasingly well-known for its ski tournaments. Sponsored by the United States Amateur Ski Association, days of thrills and spills are experienced as Olympic stars and other nationally-known skiers compete in the high jumps and the cross country races.

Lassen Volcanic National Park in California and Crater Lake in Oregon have not yet attained to the full dignity of winter sports seasons, but each year when weather conditions permit they are the objective of striking ski races and tournaments. Because of heavy snows it has not been practicable thus far for the National Park Service to clear the highways into the park sufficiently to permit travel.

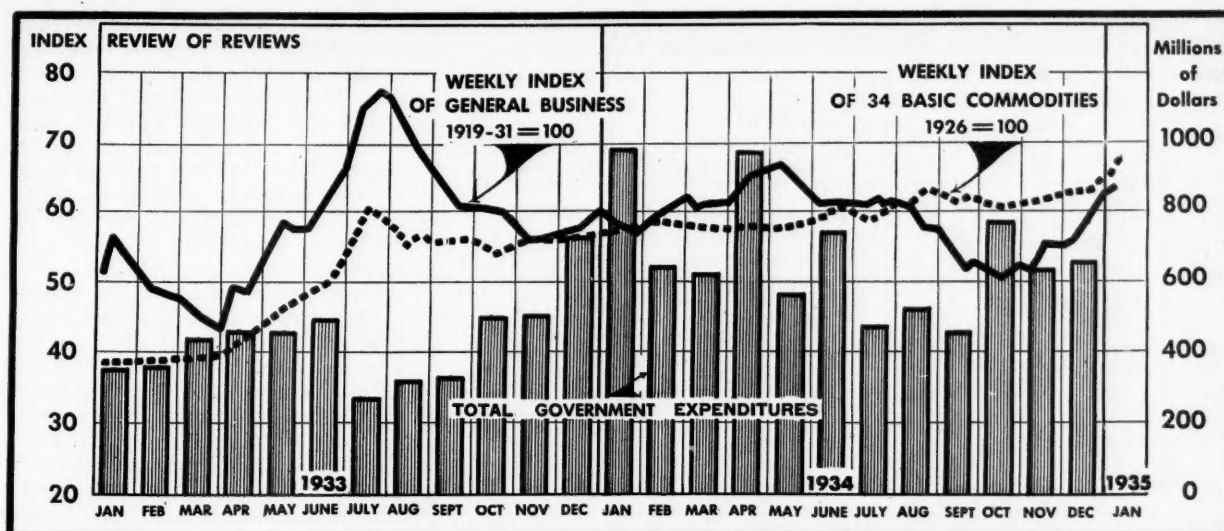
Where to Go

There are other national parks open for use during the winter, because of mild weather conditions and easy accessibility. These include far-off Hawaii National Park, with its tropical setting; Hot Springs in Arkansas, the winter spa of the national park system; the South Rim of the Grand Canyon, with trips possible into the warmer Canyon depths; Carlsbad Caverns, where the temperature varies only a degree or two throughout the year; Zion, Wind Cave, Platt, and the Great Smokies and Acadia in the East. Also in this group are many of the prehistoric national monuments of the Southwest, and the national military and historical parks and monuments of the East. To the keen winter sportsman they offer a wide variety of recreation and pleasure when snow is on the ground.

This department of the Review is edited with the coöperation of the American Civic Association. Isabelle Story, author of this article, is Editor-in-Chief of the National Park Service.



Tobogganing would be nicer if it were less like the Stock Market.



SPENDING

Rising lines representing slightly improved business and commodity levels would be more encouraging were they accompanied by bars that would show lower government expenditures.

THE PULSE OF BUSINESS

A modified new deal for the unemployed. The automobile world stages a one-industry bid for recovery leadership. Steel tries to lift its head. These are highlights in the current world of business.

PRESIDENT ROOSEVELT, reporting to Congress on the state of the Union, announced the "stark fact" that great numbers remain unemployed, told what he proposed to do about it, and asked for the cooperation of both houses. His budget message, delivered three days later, translated the aims and aspirations of the earlier address into dollars and cents of expenditure that the federal government must make to end the growing horror of economic insecurity.

These two messages are more important than mere recommendations to Representatives and Senators. They bring home to the country at large, and to business men in particular, the point that the federal government at last is going about the handling of unemployment on a business-like basis. The errors of former quickly concocted emergency efforts are to give way before a constructive and well considered plan.

In part, at least, the present unemployment situation is a product of the acts of the Administration itself. President Roosevelt successfully snapped the country out of the downward spiral of deflation, only to create in its place a new spiral that has been almost as vicious in its consequences. His huge expenditures for relief and

the methods of their administration have served to undermine the confidence of business leaders.

These men in turn have restricted their activities, have failed to re-hire the workers they released during the worst days of the depression. And because they did not re-hire, the bill for relief has remained at confidence-shaking figures. The obvious aim of the President is to break this new spiral, to restore the confidence of business without neglecting to take adequate care of the needy.

In part, too, the present situation is a product of the acts of business leaders. Capitalists, historically conservative, have fought against the growing liberalism which has so recently arrived in this country. Their confidence in the more liberally-minded Administration was easily shaken. Gradually increasing numbers of business men have come to accept, as sound, certain of the less radical features of the President's program—and gradually also the Administration has weeded out certain features that were perhaps too idealistic. The fight has improved the program but it has also served to delay recovery. Had the Administration and business seen eye-to-eye, our unemployed would have been fewer.

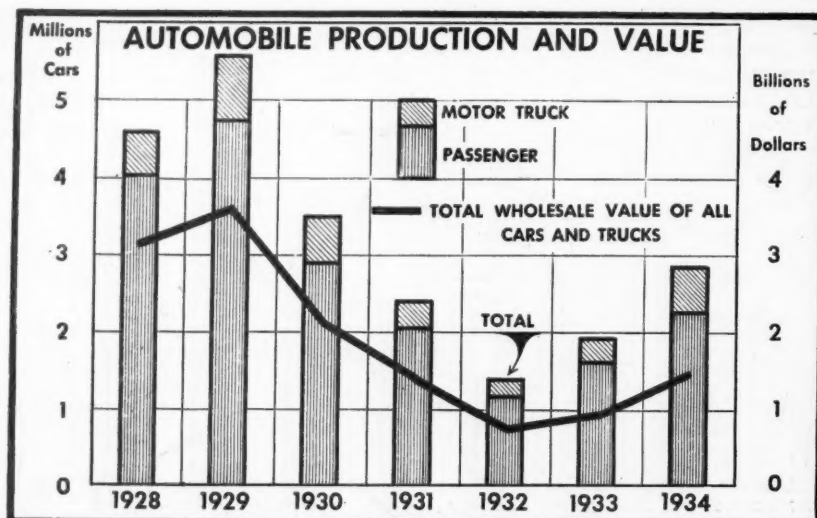
Hereafter all those who are employable will have to do a real day's work, on a useful project, to be entitled to any compensation from the Government. The new arrangement will warrant the confidence of business men. It is the way *they* would attack the problem. And once confidence is generated the task will shrink to manageable size.

Business may not be able to re-hire all those who are now idle, but it should be able to take on a sufficient number to assure that the plan, as outlined by the President, will not be swamped beneath a tidal wave of unemployment. It may not be able to re-hire 8 or 10 million men, but it should re-hire 5 or 6 million.

Nor has the President overlooked an incentive. Under his program industrial leaders will have the choice of either paying the wages of these men directly, for work in their factories, or indirectly, through taxation, for work on public improvements.

Motor Gladness

Our monthly index of general business for December (see page 66) steps up to 55.5 per cent of normal, from a revised figure of 53 per cent for November and October. A wide-



GOING UP

Twice as many automobiles were produced in 1934 as in depression 1932, though the money value rose less rapidly.

spread spirit of mild optimism which pervades the land, backed in quite extraordinary array by this or that definite item of cheer, has not yet begun to exert its maximum influence upon the index.

By all odds the most astounding fact disclosed in any current index of business is unseasonal activity in the production of automobiles. December output of motor cars, 137,000 (estimated by Cram's), was not large in comparison with last April's peak of 379,000; but it is notable when compared with 87,000 in December, 1933.

A proper question to raise, digging into the facts behind the news, is this: Will automobile production suffer in February and March, because of this haste in pushing out new models in December and January? Has the public really been buying, in mid-winter? We suspect that it is dealer optimism, inspired by pep talks emanating from management; but an industry which last year registered 45 per cent increase in volume stands on ground more solid than that of mere optimism.

Our peculiar interest in this unseasonal output of automobiles is due to a realization that were it not for that bright spot any index of general business would present a sorry picture. Surely the country expects too much of an industry that neither asks nor receives help from Washington.

Survival of the Fittest

An impulse to look further behind the figures, to discover trends within the automobile industry itself, discloses the fact that the Big Three—General Motors, Ford, and Chrysler—have strengthened their leadership. They account for 91 out of every 100 new passenger cars registered, a gain

of 1 over 1933. With eleven months registration figures before us (gathered by R. L. Polk & Co. and the Automotive Daily News) we compute the relative percentages of the major groups, to find that General Motors built 40 out of every 100 new passenger cars registered, the Ford Motor Company 28, and Chrysler 23.

These three industrial giants account for 1,645,073 out of a total of 1,807,013 passenger cars registered in the eleven months. The major factor of success, in each instance, is a car selling at the factory for about \$600 in the standard sedan model—otherwise known as the Ford, the Chevrolet, and the Plymouth.

This trend toward low-priced cars is the most obvious fact in the whole realm of modern business. Fifteen years have witnessed a drop of \$382 in the wholesale price of the average car, from \$882 in 1919 to \$500 in 1934. The decline was halted in this last

year, when the average price rose slightly from \$488 in 1933, reflecting a tendency to buy de luxe rather than standard models while still purchasing in the low-priced group. Our average price is a wholesale price. We obtain it by dividing the wholesale value of passenger cars by the number produced, both figures reported yearly by the Automobile Manufacturers Association.

Motor trucks are similarly enjoying a revival of prosperity, an estimated 1934 output of 589,000 units having been exceeded only twice, in 1929 and 1930. Here again Chevrolet, Ford, and Dodge, in the order named, support the claim of the Big Three—General Motors, Ford, and Chrysler companies—to numerical superiority. Far in the lead among other truck makers is the International.

Including both passenger cars and trucks, the motor industry measures its recovery effort in this fashion:

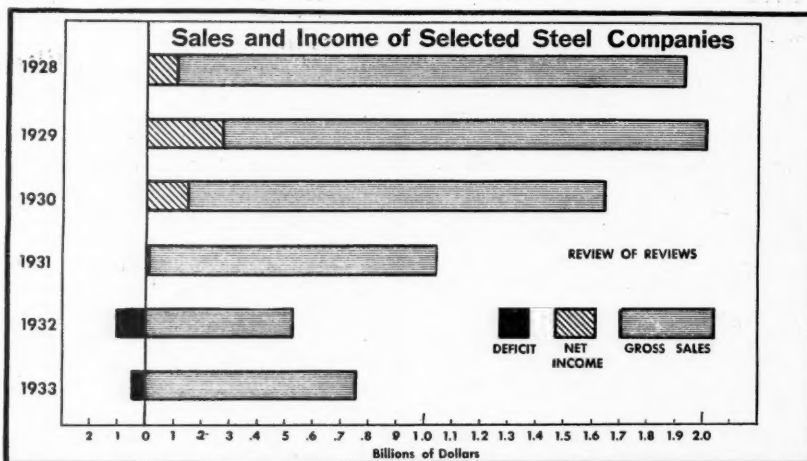
	Passenger cars	Trucks	Value
1934 (est.)	2,296,000	589,000	1,453,800,000
1933	1,627,768	358,440	987,436,000
1932	1,183,185	245,282	793,045,000

It is 100 per cent advance from the lean year 1932. At the same time we are still 2.8 million cars shy of the peak year 1929.

Steel Looks Up

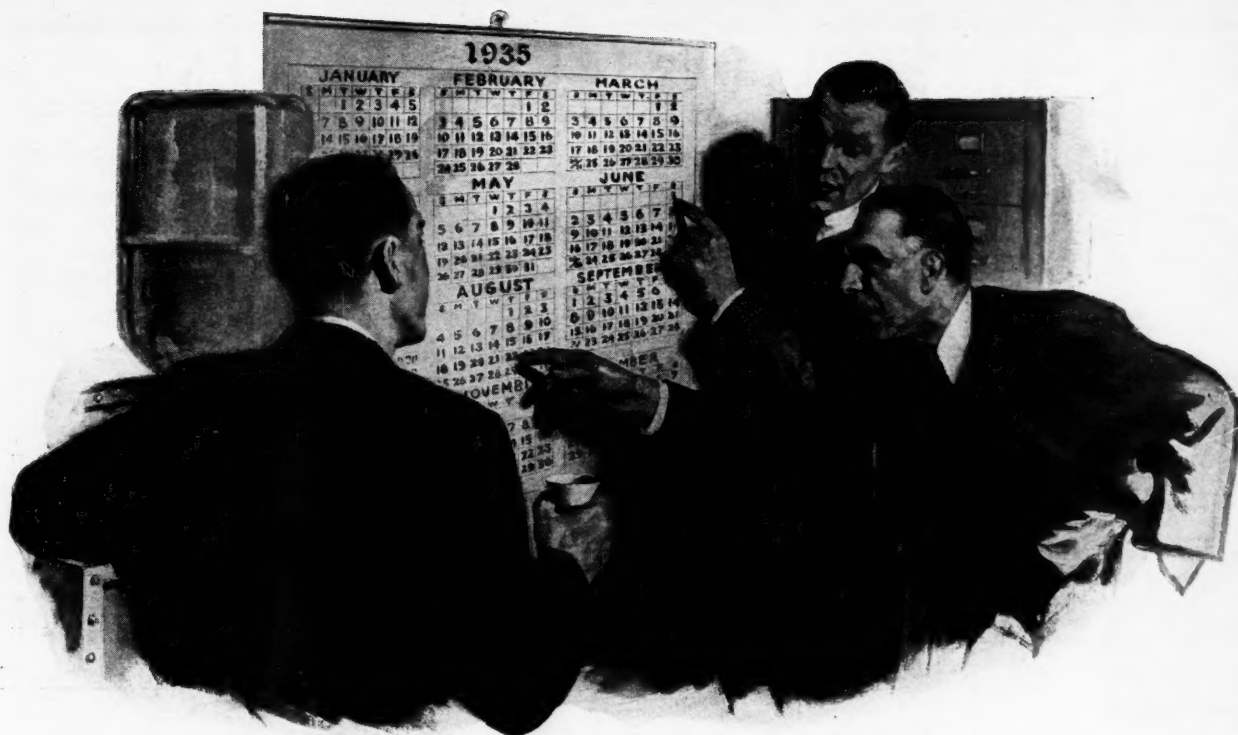
This boom in motor production has dragged along with it another major industry, steel. Twelve weeks in a row, as these lines are written, have witnessed a rise in steel activity as measured by percentage of capacity. For the first week of the new year, the figure stood at 44½ per cent, a steady advance from 23½ per cent in September and from a 1934 low of 19 per cent in August.

Fifty per cent of capacity is the zone where profits begin for the



NO PROFIT?

Estimates for 1934 indicate that steel volume was comparable with 1931. If so, note the margin of profit.



Hay Fever

MANY a hay fever sufferer can point to a calendar and foretell almost to the day when his misery will begin. Often, he knows how long it will last.

His acute distress is caused by pollen carried in the air from a particular kind of tree or grass or weed or, in rare instances, a flower. Some people may be affected by several types of pollen. Little or no relief may be secured until the particular types are known and proper measures are taken to immunize against them.

It requires patience on the part of the sufferer and thoroughness and understanding on the part of his doctor to find out, in advance of the dreaded season, whether hay fever will be brought on by a tree in April or May, a grass in June or July, or a weed in August or September.

One of the methods by which the doctor finds out which pollen causes hay fever consists of making a series of tiny scratches,

about an eighth of an inch long, which penetrate the outer skin. He may make from eight to thirty tests, the number depending upon the variety of air-borne pollens in the patient's locality. On each scratch the doctor applies one drop of a different pollen solution. If a particular pollen has caused past trouble, a slight, itching elevation will appear on the skin where the scratch was made.

Based on the results of these tests, the doctor knows just what to do and when to begin to build up the immunity of his patient against the individual trouble-making pollen or pollens.

Some stubborn cases do not yield to this immunizing process, but a majority of hay fever patients have been made far more comfortable by it. Many of them have been relieved completely.

The time to begin the battle against 1935 hay fever is now!



METROPOLITAN LIFE INSURANCE COMPANY
 FREDERICK H. ECKER, PRESIDENT

ONE MADISON AVE., NEW YORK, N. Y.

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GENERAL BUSINESS INDICES

FINANCIAL

	December, 1934 Index	November, 1934 Index	October, 1934 Index	December, 1933 Index	December, 1932 Index
Bond Sales—N. Y. Stock Exch.....	\$274,100,000 98	\$250,900,000 90	\$277,700,000 97	\$279,300,000 100	\$249,200,000 89
Stock Sales—N. Y. Stock Exch. num- ber of shares).....	23,588,000 24	20,868,000 21	15,661,000 16	34,880,000 35	23,190,000 24
Corp. Div. and Int. Payments.....	Not available	Not available	Not available	\$566,000,000 87	\$546,000,000 84
New Corporate Security Issues.....	\$34,861,000 7	\$29,800,000 6	\$31,390,000 6	\$15,600,000 3	\$28,840,000 5
Money Rates in New York City.....	.94% 20	.94% 20	.94% 20	.96% 21	.89% 19
Bank Debits in New York City.....	\$15,214,000,000 45	\$11,343,000,000 39	\$12,286,000,000 37	\$13,013,000,000 41	\$13,967,000,000 50
Rate of Circulation of Bank Deposits in New York City.....	2.13 39	1.62 36	1.76 36	2.24 41	2.12 39
Index of FINANCIAL ACTIVITY	30.4	27.8	26.3	36.0	33.9

DISTRIBUTION

Magazine Advertising (Agate Lines)	2,336,000 66	2,489,000 66	2,462,000 66	1,941,000 56	1,252,000 51
Newspaper Advertising (Lines).....	Not available	106,999,000 69	108,810,000 65	96,716,000 65	91,509,000 61
Foreign Trade	Not available	\$345,800,000 61	\$336,000,000 58	\$325,000,000 63	\$233,000,000 51
Merchandise Carloadings (Weekly Average).....	329,000 71	369,000 68	408,000 68	332,000 72	308,000 66
Department Store Sales (Federal Reserve Index).....	76 78	*73 *75	74 76	69 73	62 73
Bank Debits Outside N. Y. City.....	\$15,665,000,000 56	\$13,408,000,000 54	\$14,465,000,000 53	\$13,287,000,000 52	\$12,819,000,000 59
Rate of Circulation of Bank Deposits Outside New York City.....	1.43 74	1.22 71	1.35 72	1.44 75	1.19 61
Index of DISTRIBUTION	69.3	*66.2	65.7	65.8	60.8

PRODUCTION

Steel Ingot Production (Capacity)...	35.26% 51	27.76% 38	24.59% 33	33.48% 47	15% 21
Pig Iron Production (Average Daily Tons).....	33,387 39	31,898 37	30,679 37	38,100 45	17,600 21
Domestic Cotton Consumption (Run- ning Bales).....	425,000 79	480,000 87	525,000 95	350,000 65	440,000 82
Total Construction Contracts.....	\$92,700,000 27	\$112,000,000 32	\$135,500,000 35	\$207,000,000 65	\$81,000,000 31
Electric Power Production (Kw. Hours Aver. Daily).....	240,000,000 67	266,000,000 75	254,000,000 72	239,000,000 70	231,000,000 72
U. S. Automobile Production.....	**137,000 86	*80,112 47	136,268 53	*87,307 55	105,000 65
Commodity Carloadings (Average Weekly).....	197,000 66	199,000 58	227,000 57	185,000 62	189,000 63
Crude Oil Production (Barrels).....	75,020,000 101	71,400,000 96	73,222,000 92	70,530,000 95	61,200,000 83
Bituminous Coal Production (Tons)...	29,186,000 67	31,721,000 73	31,844,000 68	29,220,000 67	32,000,000 70
Portland Cement Production (Capacity).....	Not available	26.2% 35	29.3% 35	15.5% 28	19.0% 34
Boot and Shoe Production (Pairs)...	Not available	Not available	28,199,000 88	20,100,000 79	20,100,000 80
Index of PRODUCTION	56.9	*52.9	53.7	*63.9	54.2

INDEX OF GENERAL BUSINESS

This month	55.5	Last month *	53.0	Two months ago . .	53.0	One year ago . . *	59.8	Two years ago . .	52.5
**Estimated		*Revised							

larger companies. It was exceeded for a continuous period of ten weeks in the second quarter of 1934, and for ten weeks also in the middle of 1933. The turn downward began at 59 per cent in 1933, and at 61 per cent in 1934.

A true picture of steel earnings, however, is obtained only by dividing the year into quarters. In the second quarter of 1934, with operations averaging 54 per cent, all the leading companies showed a profit. In the third quarter, when operations averaged 24 per cent, eleven companies out of thirteen showed a loss. Shipments of finished products by the U. S. Steel Corporation in 1934 exceeded those of 1933 by a slight margin. But shipments in April, May, and June, were twice as large as those of October, November, and December.

For the year 1934, total steel production reached 25.5 million tons,

compared with 22.6 million tons in 1933 and 13.5 million in 1932. It was 90 per cent improvement in two years; yet it was only 55 per cent of average production in prosperity years 1924-29.

Here is a current phenomenon in steel: The smaller the plant the more likely it is to be earning money. U. S. Steel Corporation, capacity 13 million tons, preponderantly equipped to turn out structural steel, rails, pipe, and ship plates, reports a loss for nine months of 1934 so far as common stockholders are concerned. Inland Steel Company, capacity 1 million tons (which makes it seventh in size), reports a nine-months profit equal to \$2.65 per share and contrasted with a deficit in the same three-quarters of 1933. This was largely automobile business.

It is possible to read between the lines these days and discover that 50

per cent of capacity probably means 75 per cent for one plant and 25 per cent for another. Steel traditionally is prince or pauper. Now it demonstrates ability to be prince and pauper at the same moment.

A cloud on the steel horizon is the plain fact that the higher rises the thermometer of activity, the more certain is the prospect of labor strife. Organized labor has never accepted defeat in automobile and steel plants, and with New Deal blessing it is preparing for The Day. More men are employed in the industry, at higher wage (in proportion to tonnage), than ever before.

But the welfare of the worker is at times less important than the welfare of the organization. A militant left wing—the popular term is “rank and file”—of the Amalgamated believes that the moment is ripe to force union recognition.

Waiting for the Final Verdict

(Continued from page 31)

Constitution gives Congress authority to coin money and fix the value thereof, the Government was so confident that the lower court decisions in its favor would be sustained by the Supreme Court that Attorney General Cummings personally decided to appear before the court and make the arguments. Usually this responsibility falls upon assistants or upon the solicitor general.

Less spectacular perhaps, but more uncertain in outcome, are the cases involving the constitutionality of the Railroad Pension Law and the Frazier-Lemke Farm Moratorium Act. Both of these statutes have been held unconstitutional by lower courts, in itself a significant forewarning as to what the Supreme Court may do. Both laws were rushed through in the closing hours of the last Congress in June, 1934. One was forced through by the labor bloc and the other by the farm bloc. Neither was in any sense an Administration New Deal measure. They were signed by Mr. Roosevelt after hesitation.

The Railroad Retirement Act came up in the District of Columbia Supreme Court on a plea from the railroads asking a permanent injunction restraining operation of the act. In granting this request, Chief Justice A. A. Wheat held that the act was unconstitutional. Although the act was passed under the interstate commerce powers of Congress, Justice Wheat said that it extended retirement benefits to railroad employees not engaged in interstate commerce and in fact to several thousand not engaged in commerce at all, as in the case of maintenance men and shop workers. Justice Wheat also took exception to provisions which required the railroads to contribute to pensions for employees who had been discharged within the year previous to the act, whether for cause or otherwise. He objected also that the carriers were required, in event of reemploying any person, to count all prior service as part of the service entitling him to an annuity. The court thought that to require payments of huge sums in pensions for services long since completed and fully paid for seemed to be taking property without due process of law.

A crucial section of the farm mortgage moratorium law was held invalid by Federal Judge W. Calvin Chesnut in Baltimore last September. His decision held that Section 7 of Subsection (s) of Section 75 of the Bankruptcy Act was unconstitutional. He said that its effect was to partially cancel debts and to materially impair

the rights of mortgagees. The provision permitted a five-year moratorium in the enforcement against farmers of mortgage and other liens. While acknowledging the authority of Congress in bankruptcy legislation, he said that this power was subject to the due process clause. Judge Chesnut challenged particularly the provisions of the act which permitted a five-year mortgage moratorium upon payment by the farmer of a fair rental value for the property and secondly, provision for ultimate acquisition of the property by the farmer upon payment of the appraised price. Judge Chesnut insisted that this was in conflict with the most important feature of mortgage security, namely, the right of the mortgagee to retain title to the property until the whole debt was paid, and failing that, to become the absolute owner through the sale in equity, if he is the highest bidder.

A number of cases have appeared in the lower courts contesting the Agricultural Adjustment Act. One case in Florida, arising out of a marketing agreement and license for citrus fruit, resulted in the Federal District Court holding the entire Agricultural Adjustment Act unconstitutional. This decision, however, was overturned by the circuit court of appeals on the ground that the question of constitutionality was not properly before the lower court. Except for one other case, in which the act was upheld, the issue of constitutionality has not been involved in AAA litigation. Most of the cases have arisen out of disputes over interstate commerce under the act. In one case attacking the constitutionality of the Jones-Costigan sugar act, which is in reality an amendment to AAA, the government was upheld. No constitutional questions have as yet reached the Supreme Court and it is uncertain in just what form the issue finally will come up to be tested.

Likewise nothing has reached the Court concerning the constitutionality of the act creating the Tennessee Valley Authority, although officials of the Edison Electric Institute have stated that they expect some of the power companies among their membership to bring such a test suit. The Edison Electric Institute engaged Newton D. Baker and Former Representative James M. Beck to draft an opinion concerning the TVA legislation and they reported that it was "palpably unconstitutional." A proposal by the officers of the Institute that the Government cooperate in bringing a test case was rejected in Washington.

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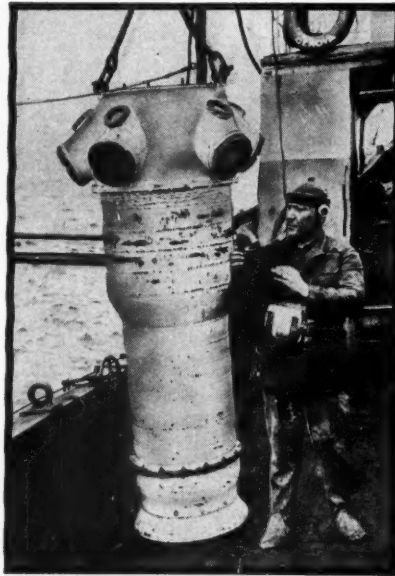
Treasure Hunting, Incorporated

(Continued from page 37)

city. In the nearby port Callao, was an honest appearing sea captain named Thompson with his stout ship, the *Mary Dear*. On it the trusting Lima citizens took passage, carrying with them all their portable wealth and valuable objects from the Cathedral, including two life-size images of solid gold. Once at sea, Captain Thompson showed his gallant pirate character by butchering them all in the night and tossing the bodies overboard to the sharks. The rascally crew went to Cocos and there are supposed to have buried the loot, intending to return later when indignation had blown over a bit. Thompson made a map, showing the location of the cave where the treasure was hidden, and dropped out of sight.

Twenty-five years later Thompson was befriended by a man named Keating from New Foundland, to whom he confided his secret. The two arranged to go to Cocos on the ship of a Captain Bogue. Thompson died, but Keating and Bogue returned as planned. What happened is not exactly clear, but they apparently tapped the treasure. The crew mutinied and in ensuing troubles Bogue disappeared. Some say that Keating, greedy for all the treasure, locked him in the cave, while others say that Bogue was drowned in the surf, sinking like a stone because of the gold he was carrying on him. At any rate the crew went home empty-handed, and Keating passed the map on to someone else before his death.

Recovery efforts have centered round Thompson's map or the many copies of it. But weather does things to landmarks, and patient digging by scores of men, the use of dynamite, metal-finding apparatus and the



Steel observation chamber used in recovery of the Egypt's gold.

sinking of shafts has availed nothing. Within the past five years at least twenty groups have tried their luck, spending thousands of dollars. Nevertheless, the man has yet to be found who has set eyes on the loot of Lima, or the skeleton of Captain Bogue who guards it.

There are countless other treasures on land and sea which still defy recovery after fortunes have been spent on them. . . the *Lutine*, a British pay ship which went down in the shoals off the Netherlands in 1799 with about five million dollars aboard. . . the *De Braak*, another British pay ship lying off Cape Henlopen, Delaware. . . the Spanish treasure fleet in Vigo

Bay, Spain. . . the galleon *Florentia* in Tobermory Bay, Isle of Mull, Scotland. . . the Trinidad treasure, buried on this island off the Brazilian coast. . . the *General Grant* with 50,000 ounces of gold aboard in the Auckland Islands. . . Oak Island in Nova Scotia. . . Nightingale Island in the South Atlantic, where one chest of silver has already been found. . . Cape Vidal on the Coast of Zululand where the *Dorothea* foundered with a fortune in gold bricks aboard. . . the list is endless.

Whether modern engineering will be any more successful in bringing these fortunes to light is a question soon to be answered. A precious few will be; most of them will not.

The chances are that the amateur will come home with nothing but blisters, callouses and mosquito bites to show for his labor. Engineering and scientific apparatus improves the odds, but doubles or triples the expense. Common sense tells us that the size of these treasures—if they really exist—grows in direct ratio with the passing of time.

The dollars and cents record of treasure expeditions is proof that they are a most hazardous and unprofitable speculation. Yet year after year men throw up good jobs, go to distant places, and dig for days in the blistering sun—just on the slim chance that the tattered map was authentic and that some cut-throat buried a few pieces-of-eight there in the first place.

Suppose a scatter-brained group of men were to come to this writer with some fantastic treasure hunt in mind. Do you think he would be silly enough to join them?

He certainly would.

Starhemberg of Austria

(Continued from page 51)

from God, instead of from the people. There is a state council appointed by the president; a cultural council of church and school delegates; an economic council of business, industry, agriculture, and finance; and a provincial council of state governors and finance ministers. Austria is made up of nine constituent states, including Vienna, Upper Austria, Lower Austria, Salzburg, Burgenland, Carinthia, Styria, Tyrol, and Vorarlberg. Vienna is the federal capital, as well as a federal state. Viennese do not exactly cherish their noble prince.

Strikes and unions are now illegal. the Catholic faith is firmly entrenched officially, and there is no death pen-

alty except under martial law. The dominant Heimwehr evidently prefer nazis to socialists, for the pinks have generally been hung, while the browns have been honorably shot. Italian political influence, through Starhemberg, is prevalent. So is "moral" censorship through extreme clerical influence, which is felt even by free-thinking children in the state schools. Incidentally, the "new" corporative economic idea is a direct return to the occupational organizations of the Middle Ages.

There has been much newspaper talk of a Hapsburg restoration in unhappy Austria, with the young Otto as center of gossip. Otto's chances are rather slim, for the Little Entente—

made up of ex-subjects of the Hapsburgs—are adamant against his ermine-and-purple return to Vienna. In this they are wise without a doubt. But why should the Austrians crave a Hapsburg, when they already have a Starhemberg as uncrowned monarch? The Starhembergs are as old as the Hapsburgs, they are as medieval-minded, as blue-blooded, and even more illustrious on the field of honor. If Prince Ernst has come to despise the self-made peasant named Hitler, he can also afford a glance of cold disdain in the direction of Pretender Otto, and his ambitious mother, ex-Kaiserin Zita. To date, the seventh prince of Starhemberg is proverbially sitting pretty.

A Wolf in Sheep's Clothing

(Continued from page 22)

tional billions of credit available to large and small units of business whenever it is demanded.

They hold 37 per cent of the government debt, and are ready to give continued coöperation to the Government in this direction.

Many bankers like to regard banking as a profession. I believe that the thoughtful people of the country feel, just as the best element among the bankers themselves feels, that the banking business should be operated on professional standards.

I am not implying that professional standards inherently are or ought to be higher than business standards; but as a matter of practice the doctors and lawyers, to take the two most obvious examples, have established in their respective professions

fairly workable standards of skill and of ethics.

You will note that in both these professions certain examinations are required before admission to practice. Should some such requirement be made applicable to bankers?

Legislation is needed to establish fair rules of the road; and wise government supervision is needed to maintain standards. But I believe that no amount of legislation or supervision can guarantee good banking. In England there is very little either of banking law or regulation.

I may be wrong, but I firmly believe that those bankers whose skill and ethics are, and always have been, on a high plane, can, with proper assistance, establish and maintain adequate standards of skill and ethics in the banking structure as a whole.

What Do You Weigh?

(Continued from page 57)

One half-millionth of an inch is not very much, yet that is the accuracy to which scales are made to work. Thus, when a weight is placed upon the platform, the platform is depressed 1/2,000 of an inch—two-thirds the thickness of a human hair. That tiny depression is able to register on the dial of the scale, with a five foot swing of the indicator. That's precision. If the platform could move an inch, the indicator would travel half a mile. It is precision far beyond government requirements.

As the symbol of justice, the scale is almost as old as justice itself—as old as the dealings between man and man. One of the earliest references to weighing in written history concerns the dealing between Abraham and the sons of Heth. Abraham paid them 400 shekels for a cemetery plot, and he weighed out the shekels.

The Romans gave their name to the Roman steel-yard, which is the same instrument used today on farms. That was a simple balanced beam. With this and with other forms of balances, weighing went on through the centuries, gradually coming under the eyes of law-makers and gathering around itself a body of regulations. How recent is the attempt to insure legally correct weight may surprise most people, for it was not until 1893 that every state in the Union was supplied by Washington with an official, standard set of weights. It may be equally surprising to realize that since 1889 the metric system has been the official weighing system of the United States,

used by the Bureau of Standards at Washington, D. C.

Until the last century the balance type of scale was the only kind known. Then the spring scale appeared, and it is widely used today for general purposes. In the most scientific and delicate weighing, however, and in industry, it is not used, because of variations in springs due to atmospheric and other conditions. All springs work on the principle of distortion of metal. The modern scale is the pendulum scale, which utilizes the weight-against-weight, or balance principle.

American scales are today the world's best. They are sold throughout Europe, the Americas, Africa, Canada, Australia and Asia. One enterprising manufacturer sends a steamer loaded with scales up the Norwegian coast every few years, selling to fishermen and fishing associations. This popularity presents amusing problems at times, as when it was found necessary to translate a widely known motto or slogan into Spanish; and it was noted with dismay that the slogan read: "Sin Resortes". Again, on the so-called person weighers, how to translate into many languages the simple directions about putting a coin in the slot? This was ingeniously solved by using a picture of a man inserting the coin. Pictures are universal language.

When any object has been weighed on trusted scales, there can be no disagreement afterward. With reason is the scale the symbol of justice. It is an unsleeping watcher of just dealing between man and man.



DOES INTUITION OR INFORMATION GUIDE YOUR INVESTING?

Sound investment decisions rest largely on the completeness and accuracy of one's facts regarding a company, its personnel, and conditions affecting its future. The "Review of Reviews," when besieged by investment-minded readers for advice, sought out a man of trained financial mind, of unimpeachable integrity, to whom inquiries might be referred with the knowledge that his counsel would be impartial.

Here are typical inquiries received from readers of this magazine:

"I hold 550 Shares National Service Co. (curb) @ average of 3/4. Do you advise immediate sale or longer holding; or further purchases at present levels (3/8 to 1/2) to bring average lower?"

"What is your opinion as to the investment rating of the Irving Investors Management Co. until recently under the sponsorship of the Irving Trust Co. I own 40 shares in the "C" Fund. Has the management shown itself capable of maintaining its assets, and does the market value of the shares follow the value of the commonly accepted 'stock averages'? Does the recent divorcement of this Corporation from the Irving Trust Co. reflect upon the policies of its directors?"

"I am considering exchanging some of my non-dividend paying holdings for P. Lorillard Tobacco Common Stock. Will you kindly give me your opinion of this latter stock, and especially how does it rank in safety and yield with other tobacco companies?"

Investigate Before Buying!

If worried over your holdings; if you are considering a switch to stocks with more hopeful prospects of recovery; if you contemplate new purchases; by all means take advantage of this service as have so many of our readers.

INVESTMENT COUNSEL

★ Please remember that this magazine is not in the business of selling investment information, but is sincerely interested in serving its readers in the fullest measure. The investment counsellor we retain was for ten years the financial editor of a leading national magazine. He spent five years with a New York investment house and for more than a decade has served private clients in a continuous advisory capacity. His time and knowledge are at the service of our readers. A nominal charge is made.

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Name.....

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Did You Sleep Well?

(Continued from page 26)

restless nature which automatically turns us over many times during the night.

This is a good time to consider the arguments of whether a hard bed or a soft bed is the better. And I shall try to skirt around any partiality by being on the side of a buoyant bed—an oblique answer to the controversy. We have already seen how an unyielding bed disturbs sleep by not providing places to put our arm, hip, knee, or—at times and on some beds—we even have trouble finding a comfortable place for our foot. A buoyant bed, which gives where there is pressure on it solves this trouble. It also lessens numbness and the number of turning-overs during the night, since more square inches of the body surface are supporting the body weight and the pressure any one place is correspondingly reduced.

Hard Beds or Soft?

The feather-bed is too soft; the only way to change position in its yielding surface is to get out of bed and then go to bed on the other side all over again—either that or awaken half-smothered with a big section of the feather-bed over one's head. The ironing boards which hospitals pretend are beds are at the other extreme—too hard or unyielding. Little wonder a hospital uses gallons of rubbing alcohol daily to massage away the numbness of its patients!

We should bear in mind, also, that there are differences between individuals. The bed which is "hard" for a person of considerable weight is "soft" to the human skeleton. No one can tell by looking at a bed, or by listening to the salesman, whether the bed had the right buoyancy for the person who is going to use it. So use commonsense—find out how the bed feels when you are on it. See if you sink in comfortably when lying on your back without sagging amidships.

Then turn to one side—note if it was easy to turn, or whether the bed held you so deeply that it was an effort to turn. When on your side observe if your shoulder settles in comfortably without twisting and without pressure. Can you put the downward arm almost any place with comfort? Does your hip sink down comfortably with no twisting strain on back muscles—for you don't want to wake up with a tired back. In short—buy your spring and mattress by the feel, as you should buy your shoes. Ten minutes of mild embarrassment in trying out different

bed combinations will be more than repaid by a lifetime of better rest.

A good mattress on sagging springs makes a poor sleeping place. And good springs with a lumpy mattress is as good as sleeping in the coal bin, except for being less drafty. Sleeping quality is due to the combination of springs and mattress. When you find the right combination, get both of them. Your old springs can be used as a rose trellis, and the old mattress can be put on the bed your in-laws use—don't be cruel to your children by giving them worn out relaxation equipment. Remember there are individual differences and a right combination of springs and mattress for each person.

You Must Relax

The different levels or degrees of sleep are clearly illustrated by the way the average person relaxes in going to sleep. We relax from the ground upward, or from the foot of the bed toward the head. Feet and legs relax first; then the trunk muscles; then arms, neck, scalp, and, as we have seen, even the soft palate.

When we awaken, we unrelax in the reverse order—from the head downward. The person who is half asleep can move his arms or turn his head, but he is too sleepy to be interested even in trying to move his feet. That is why so many find it easier to reach over and shut off the alarm clock than it is to throw one's legs out of bed and get up.

In light sleep, our legs may be relaxed but our arms and head muscles are still slightly tense. This is not completely restful sleep. For deep sleep, with the greatest number of "rest units," we should encourage our head to follow the example of our feet, and relax profoundly.

In coaxing quick, deep sleep we should practice relaxing neck and shoulders—the feet and legs will take care of themselves—and we will have better sleep if our bed is buoyant enough and our spirits calm enough for us to relax the upper quarter of the body as nature so wants us to do.

Measuring Sleep

Sleep has depth as well as length; its value is measured not only by how many hours we are unconscious, but by how soundly we are relaxed.

Now, what of those energetic people who defend the theory that sleep is just a bad habit—that it isn't at all necessary—and that man will sometime be able to get along without any sleep, or at least with small amounts

of sleep? Most young people find this an entertaining theory. However, I must point out that the higher the form of animal life, the more dependent it is on sleep. One price we seem to pay for being the most intelligent and versatile creatures in the world, is that sleep is more essential for our keeping this intelligence and adaptability in good working order.

The bad habit theory was the one favored by Thomas Edison—who certainly had bad habits of sleep which is quite another matter. He got about the orthodox eight hours sleep but very little of it in bed at night. He would sleep on a bench in his laboratory for a few minutes in the morning; he was seen sleeping while at the luncheon table at the Prince George Hotel; and later in the afternoon he would get some more sleep in the old-fashioned high-backed swivel-chair in his office around the corner from the hotel.

Old Habits

We are constitutionally inclined against changing habits. This is why we dislike parting with the bed, now sagging and lumpy, which Aunt Margaret gave as a wedding present. The right combination of new springs and mattress never seems right the first night because we are so used to the old ones.

And there are a few whose only sleep habit is the habit of irregular hours of retiring. Just as there are others—fortunately for them a very small number—who have the habit of poor sleep. This reminds one of:

An old lady who lived by the shore
At length got so used to the roar
That she never could sleep
Unless someone would keep
A-pounding away at her door.

Then there is the famous incident of the Oriental potentate. On a visit to London, the hotel arranged a stately canopied bed in his hotel suite. He said, "What a large throne!" and despite its size sat with his stubby legs dangling off the foot while he received visitors. After his reception of distinguished guests he was fatigued. But because habit dominated his methods of sleep, he curled up on one corner of the carpet.

The cruelest punishment man has invented is to keep one from sleeping. This is a punishment which many persons today are slowly and unwittingly inflicting on themselves. Amazing, isn't it, that the thing which people do most they do so badly?



1935 LINEUP *Europe has four groups of powers today. The French bloc is shown in black, the Italian bloc in stripes, German bloc in squares, neutrals in grey. This is a quick view.*

EUROPA BUILDS WITH NEW BLOCS

A MAP-STUDY OF THE BALANCE OF POWER

IN THE OPENING weeks of 1935 there are four principal groups of European nations, although the balance of power is no longer clearly defined due to a rather bewildering flux. Many of the lesser states are frankly after all they can get, and will serve whichever major country is equipped to offer them the most in a material way. They resemble weak but ambitious schoolboys who owe their lollipops and cornsilk to some hulking bully who is making good. When the bully seems a little less hulking, the parasites look elsewhere for favors. There are, then, these four groups in Europe today—all of them shifting and only roughly delimited:

The French group, which centers in Paris, upholds the European *status quo* as determined by the provisions of the peace treaties of 1919. It consists of France herself, her Belgian shadow, the Little Entente of Czechoslovakia, Rumania, and Jugoslavia,

and the huge bulk of Soviet Russia. Russia, which once played a lone red hand, has adhered to the French group during the past half-year only; but Moscow is now in close relationship to Paris in a military way and also through the diplomacy of the League of Nations. Fear of Germany has united the Franco-Russian pair, as it did from 1890 till 1917.

The Italian group, which centers in Rome, is a weak rival of the French system, and consists largely of states hostile to the peace treaties of 1919. Mussolini is its imperial cornerstone, and in addition to Italy there are Austria, Hungary, Bulgaria, and Albania attached to the blackshirt apron-strings. Everyone in this group wants things which they lost in the war, or which they think they should have gotten. The recent row between Hungary and Jugoslavia showed that Italy backed the former, while France backed the latter, according

to their respective blocs. Jugoslavia is Italy's pet aversion.

The German group consists largely of Germany, but Poland has been turning from France to the Reich during the past year in unmistakable style. Poland was formerly Germany's worst foe, but a 10-year peace pact (1934) between Pilsudski and the nazis has changed all that. Japan is more or less affiliated with Germany and Poland, as against Russia.

The neutral group consists of the World War stay-outs plus England, which wants continental peace. Holland, Spain, Switzerland, and the Scandinavian countries and Baltic states are behind England and the League of Nations in their efforts to prevent another Armageddon. This neutral group is by far the most civilized and best governed bloc of them all, and none of its members is dictatorial in the roughshod fascist, nazi, or communist sense.—ROGER SHAW.



Courtesy Union of South Africa

ZIMBABWE MYSTERY

AN AGE-OLD PUZZLE

For seventy years visitors have tried to solve the riddle of Zimbabwe. Who built it? When did its people flourish? Nobody knows.

FOR SEVENTY years visitors have tried to solve the riddle of Zimbabwe. Who built it? When did its people flourish? How were they destroyed? The answers are quite simple: Nobody knows.

Most people who have put foot on African soil have seen very little of it. They usually see such Mediter-

anean ports as Algiers, Tunis, Alexandria and that's about all. Those who will take the trouble, and it isn't a great deal nowadays, to visit other sections, will find that Africa really puts its spells upon them.

Africa is full of mysteries. Some have been solved; others have not. Included among the unsolved mys-

teries is one which has baffled some of the ablest minds of our time, Zimbabwe. Who built these majestic structures? What was their purpose?

How Old is Old?

Next to Victoria Falls, the Zimbabwe ruins are the most interesting thing in Southern Rhodesia. They are located in the heart of the Rhodesian veldt, in the district known as Mashonaland, several hundred miles inland from the southeastern coast. They are shut off from the outside world by innumerable ranges of misty blue mountains. They maintain an air of mystery. The ruins were discovered in 1868 by an ivory trader who came upon them standing majestically in the bright sun.

There are three distinct groups of ruins, commonly known as the Elliptical Temple, the Acropolis, and the Valley Ruins. The names are purely arbitrary, because no one knows the purposes they served.

The Elliptical Temple was probably no temple at all. It is an irregularly walled enclosure 290 feet long and 220 feet wide. It is considerably larger in area than most cathedrals today. The surrounding wall is about 30 feet in height, about 14 feet in thickness at the base and 5 feet across the top. The wall is made of blocks of granite, laid like bricks without mortar. The stone was found nearby but each block has been neatly cut and fitted, and no little skill was displayed in the cutting or laying of these stones. The chisel marks, of metal or tough diorite tools, may still be seen on the surfaces. The walls contain no inscriptions. None have been found anywhere in the ruins. Nor is there any trace of European or Asiatic influence in the general architecture.

The Temple Ruins

There are three narrow entrances to the Temple. Inside are structures to baffle the observer: conical towers, of supposed religious significance, and the remnants of raised platforms. Trees grow here and there, although most of the brush has been cleared out. At one time there was cement-like flooring over much of the interior, although most of it has been destroyed by persons seeking gold. Until comparatively recent times, the place was at the mercy of whoever wanted to dig with spade or shovel.

The carved soapstone birds on pedestals found inside the Temple have been cited as evidence that the place was once inhabited by a race of nature worshipers. The Phoenicians and Sabeans, for example, held similar birds sacred, and this fact has

been claimed to show that the people who built Zimbabwe were not African in origin. A more reasonable view seems to be that nature worship is quite universal, and that the local builders followed customary psychological patterns.

The Valley Ruins convey a very eerie feeling to the visitor. Here again is a conical tower and a large circular platform. There are small buildings which have been thought to be huts, but the fact that they are so small has led others to believe them to be smelters. If so, they certainly are not of the ordinary variety, and show no evidence of fire or heat. The absence of skeletons indicates that they are not tombs.

Walls of Granite

The Acropolis occupies a commanding position on some rocks about 250 feet above the valley proper. It is an almost impregnable place and takes advantage of the natural rock formation. Atop the granite outcropping, the builders erected their huge walls of carefully mortised granite. Inside are many passages, whose purposes are not evident, and whose chambers do not seem shut off for any particular reason.

The ordinary assumption would be that the place was a fort of some kind. Yet the odd arrangement of the interior would hardly make for good protection. There are none of the things one would think fort-builders would provide, notably a water supply, storage space for food, quarters for the men or places for them to stand atop the walls without being exposed to the enemy. Another odd fact is that there is no evidence whatever of there having been roofs on any of these structures, although rain in the district is frequent and heavy!

Archeologists who have maintained that Zimbabwe was the creation of some native tribe have pointed out that there are some 500 other ruins of similar type in Rhodesia, although in no way as extensive or well-constructed. They point out that soapstone dishes found in Zimbabwe contain pictures of cattle, indicating a pastoral people. They maintain that the Temple is little more than a defensive *kraal* or cattle enclosure, combined with a fort.

Some scientists have maintained that Zimbabwe is of ancient origin, perhaps two thousand years before Christ. Others maintain that its heyday was fairly recent, in medieval times. This latter view appears the more tenable.

In Zimbabwe there have been found such intriguing items as Chinese porcelain, Arabian glass beads, and Persian earthenware. All these date

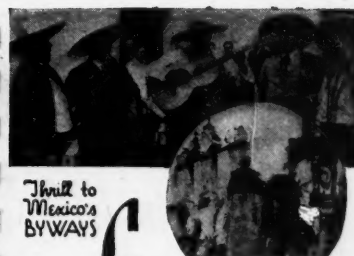
from the 10th to the 15th centuries, bearing out the view that Zimbabwe's heyday was during medieval times, perhaps the fourteenth and fifteenth centuries. There is a record of a Chinese fleet having stopped at Magadoda in 1486. Chinese coins have been found along the coast bearing dates from 713 to 1163 A. D. What courageous sailors they must have been! It appears established that the objects which found their way into Zimbabwe from Asia were not produced by any alien settlers, but were obtained in trade for ivory and gold. Such native objects as iron spear heads, arrowheads and bronze wire bangles also found on the site help to substantiate the African origin theory.

It was believed for a considerable time that Zimbabwe was the center of the ancient gold trade, but the fact remains that the gold bearing reefs *nearby* were never touched, while those a considerable distance away were worked extensively! Zimbabwe might be considered as a distributing point, for it is more or less at the junction of two traveling routes. But if there were valuables to defend by building forts, what has happened to them? Surely some would have been found in the ruins, much more than the few fragments of gold wire and the like which have been retrieved.

The view seems best substantiated that Zimbabwe was a product of a native tribe, perhaps one of those related to the Bantus, and that the buildings were built as semi-defensive structures in which they and their animals could take refuge. Where granite was on hand for the asking, what could be more natural than that granite should be used for walls instead of wood or grass? Walled towns are common in Africa, and elsewhere. They are the customary mode of defense. The archeologists do not attempt to explain the sudden cultural flowerings which enable certain peoples to rise above others in accomplishment—to build a Zimbabwe. They do know that they happen. And they do know that many things—invasion, disease, and the like, cause such civilizations to grow decadent or disappear.

Land of Ophir?

Sir Rider Haggard used the Zimbabwe ruins as the locale for some of his most exciting romances, "She", "King Solomon's Mines" and others. He suggested that Zimbabwe must be the rich land of Ophir, mentioned in Scripture, (1st Kings X) and that Solomon got a good deal of his golden glory from Africa. Well, it's not impossible. Zimbabwe has been claimed at various times to have been a set-



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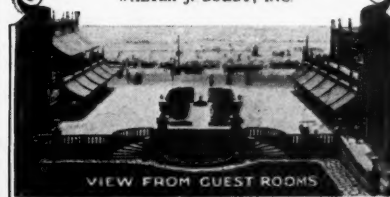
February brings to the Boardwalk a delightful climate and sunshine weather with a touch of Spring.

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VIEW FROM GUEST ROOMS



THE recent 'blue-law'-repealing election makes California more than ever, America's Ideal Playground

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tlement of Babylonians, Phoenicians, Egyptians, and Arabians.

Gertrude Caton-Thompson, who excavated at Zimbabwe in 1929, suggests that while the place itself revealed little gold, the wealth of the Indian kings of the 14th and 15th centuries might very well have come from the territory to the south. Facts are that gold, copper, tin and iron were removed from South Africa for centuries, if not in the immediate vicinity of Zimbabwe. The ancient diggings are there to prove it. Where did the precious metals go?

So, despite recent investigation, the riddle remains as insoluble as ever. Even though the ruins have been pretty definitely established as medieval, and their origin as essentially African, many questions remain unsolved. What kind of trade relations did the people of Zimbabwe have with the traders in the coast ports, such as Sofala? What destroyed them? Was it malaria, black-water fever, sleeping-sickness? Or was it invasion?

The essential purpose of the ruins has yet to be established. Zimbabwe stands today as much of a mystery as it was nearly seventy years ago when an ivory trader named Adam Renders came upon it standing silent in the wilderness.

—JO CHAMBERLIN

681 Years

We have it on authority of *The Seven Seas* that in Germany there is a clock which has been ten minutes fast for nearly seven hundred years. It is in the town of Gorlitz in Silesia where in the year 1253 some upstarts plotted to murder the town Councilors at noon. A citizen heard about the skullduggery, set the clock ten minutes fast, and the culprits walked into the arms of the law. Just to remember the incident and to maintain a warning for anybody else thinking of starting something, the clock has been allowed to remain ten minutes fast ever since.

Cathedral Caves

For years, experts have been working in the great cave temples of Ajanta, in Hyderabad, India, cleaning the age-old frescoes on the walls. Now their work is completed and the caves, magnificently carved out of solid rock, designed and planned and wrought with perfect precision and a wealth of detail, will be a new attraction for visitors to the East.

It is to some British soldiers from Bombay that credit for the discovery of the caves is due, although the present work of preservation is due to the Nizam of Hyderabad and his advisers. In 1891, maneuvering in the Indhyari

Hills, the soldiers found a gorge which, although hardly penetrable, gave them a glimpse of wonders centuries old. Their "find" was reported and a thorough investigation ordered, it first being necessary to expel animals and tribesmen who had made the caves their home.

When the vegetation and silt had been cleared, whole cathedrals were revealed, complete with picture galleries and vast carvings which were recognized at once as being unique in the history of art. In one cave is a gigantic 29-foot figure of Buddha, hewn from the living rock and considered to be one of the finest sculptures of its kind in India.

Ukelele Makers

The Hawaiian art of making ukeleles is at last to come under the provisions of the NRA. The ukelele code will guard against overworking the craftsmen, assure them fair wages, and prevent any chiselling, except chiselling on wood. All the NRA is concerned with is the manufacture of the instrument. It fails to place any restriction on the playing, tuning or owning of these musical contraptions. Perhaps Congress will first have to make ukelele-playing a federal crime. The makers of leis (those strings of flowers thrown round tourists' necks) also wanted a code, but since their product was perishable, the NRA said "nix".

Bright Spots

Old English customs take place all year round, and are in no sense restricted to Christmas time, May or Harvest. When most of England is covered with winter fog a foot thick, a number of customs still put joy in warm hearts.

On February 2, or Candlemas, in Blidworth Church, Nottingham (where Robin Hood used to hang out) the Vicar rocks a baby ceremoniously before the altar in an old fashioned cradle. This custom dates back to the twelfth century and commemorates the presentation of the infant Christ in the Temple. On March 5 or Shrove Tuesday, the "tossing of the pancake" is still performed at Westminster School. The cook tosses the pancake over the bar which separates the Upper from the Lower School and a selected group of students scramble for it. The boy who secures the largest piece is escorted—in a slightly dilapidated condition—to the Dean, who rewards him with a guinea.

The Oxford-Cambridge boat race is not a custom, but a long established tradition which marks the coming of spring in Old Albion. It will be held on April 6th.

YOUR LIFE INSURANCE

QUESTIONS AND ANSWERS

QUESTION: *Has the strength of life insurance companies been undermined by present economic conditions?*

ANSWER: The depression has left scars on every type of business. However, life insurance companies in most instances were able to maintain the contracts they had with their policyholders, due to the factor of safety which is the life blood of these institutions. Every premium dollar is pooled with all other premium dollars, into a great common investment fund. This in turn is invested in many thousands of directions, completely diversified in type and geographical location. Any loss is thus spread over the entire fund, and absorbed by profits earned on the greater proportion of investment.

If a policyholder placed \$100 a year in a life insurance company, which in turn invested this sum (together with all the premiums of other policyholders) in two thousand or more diversified channels, the risk would be not more than five cents on each investment. There is no financial institution that can secure greater diversification for safety of investors.

Q: *During the past several years I have been under tremendous financial strain and have needed all the available cash to carry on my business. Would you advise me, as a last resort, to take the cash surrender value of my life insurance policies to meet my obligations?*

A: No. Taking the cash surrender value is like eating one's seed corn. Now is the time, of all times, for policyholders to keep their life insurance in force. When prosperity returns, those who have lapsed their insurance will find that premiums have materially increased, and many will find it impossible to restore their estates because of uninsurability. It would be advisable for you not to take the cash surrender value, but to secure a loan from the company to carry you over this period of uncertainty.

Q: *Would you tell me the approximate monthly cost of an annuity which will guarantee me an income of \$100 a month at age 55? I am at present 23 years of age.*

A: Assume that you are earning \$100 a month today. If you save 30 per cent of that income per year, you will receive a guaranteed monthly income of \$100 as long as you live, beginning at age 56. The majority of insurance companies declare dividends which will materially increase the cash value or monthly income at 56, if left at interest with the company. In lieu of monthly income, the present retirement annuity contract permits the annuitant to elect a guaranteed cash sum of more than \$17,500.

The half-century mark looks a long way off. But the past few years have demonstrated the folly of not providing for an independent income to carry through the later years of life.

Q: *Is it true that life insurance can be termed the perfect investment?*

A: The deeper one probes into the investment values of life insurance, the more interesting the story becomes. In the last analysis there are only three reasons why one saves, invests, and buys real estate property.

The first is that the thinking person foresees the need, during his productive years, of collateral. Opportunities and emergencies are ahead, as a man earns and builds his fortune, and the need for collateral is constant.

The second reason why a man saves and invests is that he may have an income when productive years are over. Men do not invest in order that they may retire from work tomorrow, or next year, or in five years; but the entire effort is pointed to that day, many years hence, when it is time to enjoy leisure during old age.

The third reason why a man saves and invests is that he may provide for his family in the event of his death.

What investment will do more for you as collateral? What investment will do more for you when retirement days come? What investment will do more for your family in case of your death? If you agree that these are the only three reasons why men save and invest, then you will find life insurance measures 100 per cent as an investment.

Q: *An agent approached me the other day and advised me to purchase an estate shrinkage policy. Would you outline to me the purpose of such a policy?*

A: Due to fluctuations in the security market, many are finding that the value of their estates is considerably less now than it was a short time ago. During periods of economic chaos a fortune may dwindle to a mere pittance. Life insurance can furnish guaranteed protection for your estate, in the event of your death during such a period of depression.

Consider a man whose estate a few years ago was valued at \$500,000, but now at approximately \$100,000. If he is given time he can recoup his fortune, but who can control this factor of time? Life insurance for this man (and for you) would mean peace of mind. Further, it permits you to appraise your earning capacity and guarantee its worth to your estate. For a net deposit of 3 or 4 per cent an insurance company will guarantee to replace the amount of shrinkage in the event of your death. Some situations may be found where temporary coverage, or Term Insurance, must be employed.

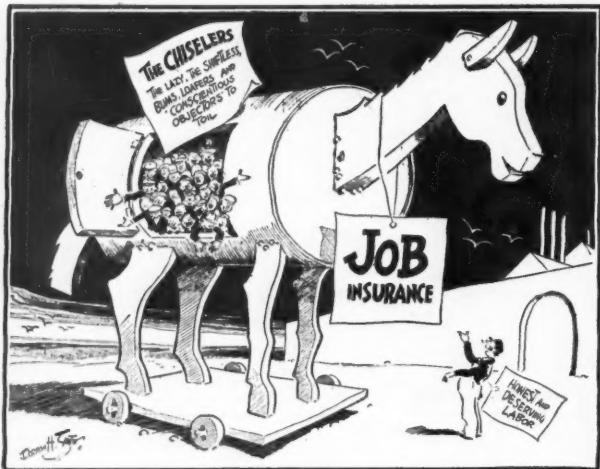
Q: *In discussing investments with my banker we came to the conclusion that it is absolutely necessary, in view of the present economic conditions, to have my estate liquid at a given time for a certain number of dollars. Would life insurance meet these requirements?*

A: Yes. The shrinkage value of other investments has been estimated at approximately sixty-five billion dollars—at least one fifth of the purchase value—during the years 1930-1934. People have come to learn that the real value of an investment is its liquidation value, and not the value on the day of purchase. An estate composed of diversified investments has lately been found to be worth about half the purchase value, upon liquidation. A life insurance investment not only guarantees a definite amount at death; but in a majority of cases the investor never has placed with the insurance company a sum as large as his estate will receive.

Readers are invited to submit insurance questions. Answers will be given by mail or printed here. Address: Insurance Service Division, Review of Reviews, 233 Fourth Ave., New York.

GRAPHIC AMERICANA

Hearst newspapers have ever been firm believers in the menace of Japanese imperialism, and events of the past two or three years have given such views a great impetus



By Smith, in the San Francisco Examiner

TROJAN

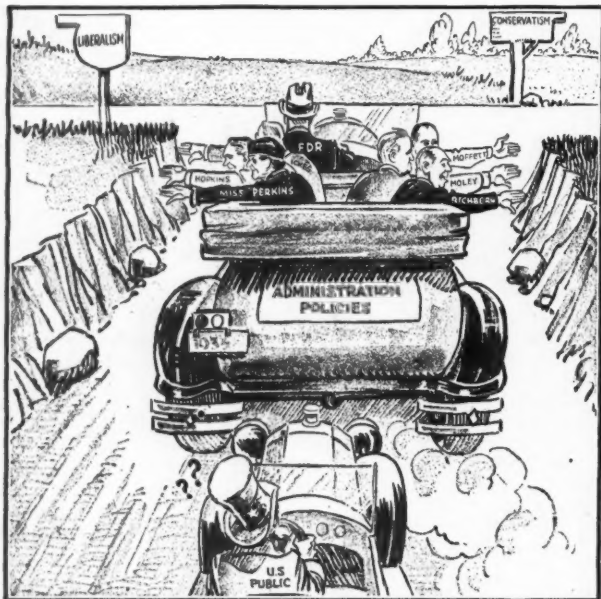
Is social insurance a proverbial Trojan Horse, filled up with loafers and bummers extraordinary? Time will tell.



By Malone, in the New York *American*

CLUTCH

And is the clutching hand of Japan threatening the Filipinos, who have been "abandoned" by our Congress?



By Doyle, in the New York Evening Post

ALTERNATIVES

Will the President, at the wheel, turn to left or right? The signals are confusing.



By Ireland, in the *Columbus Dispatch*

"BLOOD"

The industrial North supplies the Treasury with plentiful cash, and the South enjoys a blood transfusion.



By Brown, in the New York Herald Tribune

DOPED

The rugged and individualistic American watch-dog has been doped by the New Dealers, despite appeals of Mr. Richberg.



By Elderman, in the Washington Post

SCORCHING

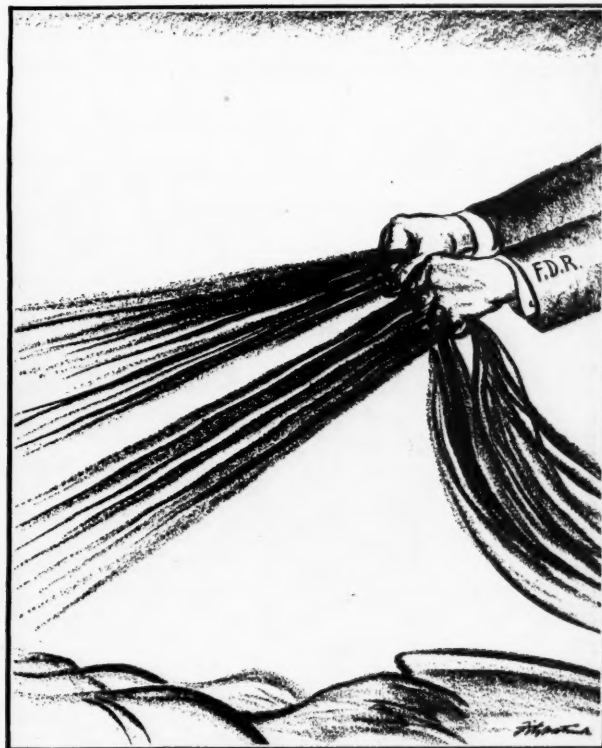
Ye Democratic donkey is doing more peddling than ye Republican elephant, as they speed on.



By Talburt, in the New York World-Telegram

BIG SHOT

Here sits the Japanese Samurai—in the very cannon's mouth—as he enjoys his splendid solitary isolation.



By Fitzpatrick, in the St. Louis Post-Dispatch

COACHMAN

Franklin Delano Roosevelt is a skillful charioteer indeed, but has he gathered in too many reins?

FOREIGN BROADSIDES



From Kladderadatsch (Berlin)

What the well-dressed baby will wear for 1935, under the constant threat of air raids and gas suffocation.



From the Glasgow Evening Times (Scotland)

Bolivia, getting the worst of it in the South American war, runs to the League of Nations mediator for protection. Paraguay in pursuit.

GRAN CHACO



From the Daily Express (London)

ASPIRATION

Nipponese Agent, to Sir John Simon: "After all, honorable sir, isn't it every girl's ambition to become a principal boy—someday?" In other words, Japan demands naval equality with John Bull and Uncle Sam, and means what she says when she says it.



From the Glasgow Bulletin (Scotland)

COPPER

Good old Johnny Bull polices the Saar election between Germany and the League of Nations, to the comfort of all those concerned in the affair.



From the Communist New Masses (New York)

SHYLOCK

The French profiteer sells the Saarland and its coal mines to Adolf Hitler and his hideous nazi gangsters. A red view of brownshirts.



From Kladderadatsch (Berlin)

UPHILL

The Jewish - Socialist - Francophile struggles against a pro-German verdict in the critical matter of the Saar. A German view, contrasted with above.



From the Prague Simplicus (Czechoslovakia)

CARMEN

This illustrated weekly, published by exiles from Hitler Germany, thus depicts the European dance of death for 1934-35. Can it go on longer?



From the Cardiff South Wales Echo

SPORTING EVENT

Uncle Sam trails, but John Bull, as it looks to a British cartoonist, is running in the wrong direction. There's plenty of munitions in them thar factories!



From the Daily Express (London)

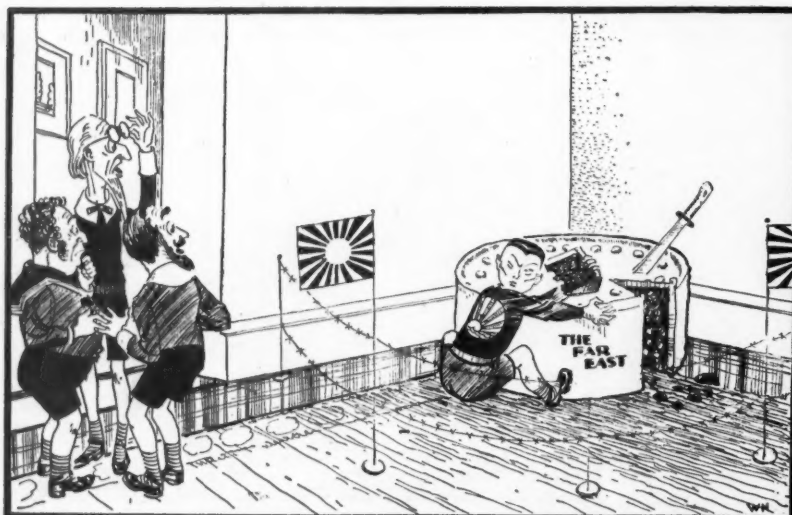
SINBAD

President Roosevelt's blue eagle swoops down to relieve John Bull from old man "freedom of the seas"—much to the joy of that honest and disinterested sailorman.



From the Jewish Opinion (New York)

"National-Socialism is a reaction to Jewish intellectualism and a return to primitive intuition."—Adolf Hitler.



From the Glasgow Bulletin (Scotland)

Our Japanese laddie fences off the Far East from the western cuties by means of his Pan-Asiatic Monroe Doctrine. England, France, and America express their virtuous horror.

NO TRESPASS



From the Daily Herald (London)

"Hearken, Jodpur Lal, to sounds of great, strong silent Tories proving Indians too hysterical and unbalanced for self-government." A Laborite dig.

Times CHANGE: Principles ENDURE

February 1, 1935 is the 92d birthday of a company which established in America a great principle — mutual life insurance on a legal reserve basis.

This principle requires that a life insurance company shall maintain perpetually such margins of safety as shall guarantee "its ability to meet all obligations whenever falling due."

The persistent adherence to this principle by The Mutual Life Insurance Company of New York has made membership in it increasingly valuable.

Notwithstanding many adverse conditions, The Mutual Life during 1934 increased its Assets from \$1,119,855,726 to \$1,160,509,652.

It promptly met all its obligations to Policyholders and their Beneficiaries.

It paid Policyholders and their Beneficiaries \$155,338,880.

It maintained its Fund for Depreciation of Securities and General Contingencies at over \$59,605,704.

Its Policy Loans decreased \$13,651,975.

Its Insurance Forfeited and Surrendered decreased \$157,704,907.

From its Gains in Operations, it set aside \$28,308,383 for Dividends to Policyholders in 1935.

BALANCE SHEET, DECEMBER 31, 1934

ASSETS		LIABILITIES AND RESERVES	
Cash	\$52,479,810.35	Policy Reserves	\$994,683,303.00
United States Government bonds . .	104,688,967.65	Supplementary Contract Reserves . .	42,708,706.66
State, County and Municipal bonds . .	24,786,773.95	Other Policy Liabilities	20,175,509.95
Canadian Government, Provincial and Municipal bonds	14,048,262.00	Premiums, Interest and Rents paid in advance	3,419,910.36
Other Foreign Government bonds . .	766,593.74	Miscellaneous Liabilities	6,601,631.66
Railroad, Public Utility and Industrial bonds	413,862,802.47	Reserve against Interest on Mortgage Loans overdue more than six months . .	1,735,190.74
Preferred and Guaranteed stocks . .	18,628,275.00	Reserve for Taxes	2,551,011.70
Mortgage Loans (at cost)	258,047,392.75	Dividends payable in 1935	28,308,382.69
Real Estate (at cost or less)	50,960,801.68	Reserve for Future Deferred Dividends	200,765.10
Policy Loans	187,714,164.89	Special Contingency Reserve*	519,535.18
Premiums in course of collection . .	16,535,151.18	Fund for Depreciation of Securities and General Contingencies	59,605,704.55
Interest and Rents due and accrued .	17,952,307.92		
Cash advanced to pay claims	38,348.01		
Total Admitted Assets	\$1,160,509,651.59	Total	\$1,160,509,651.59

*In this statement bonds not subject to amortization and all preferred and guaranteed stocks totaling \$25,018,543 are at values recommended by the National Convention of Insurance Commissioners. A Special Contingency Reserve of \$519,535 carried under Liabilities and Reserves covers the difference between the Insurance Commissioners' values for the total of the non-amortizable securities and the actual market values as at December 31, 1934.

The Mutual Life Insurance Company of New York

DAVID F. HOUSTON *President*
34 Nassau Street, New York

Everywhere men and women are giving fresh consideration to rebuilding and strengthening their plans for security against future needs through life insurance. If you are one of these,



tell us you have seen this advertisement and wish to receive the booklet, "The Dollar that Keeps on Growing," recently published by The Mutual Life Insurance Company of New York.

THE EDITOR'S MAIL

New Overcoat

To the Editor:

In answer to your query, I must say that generally I am so interested in the inside of the magazine that I really do not pay much attention to the outside wrapping.

GRAYSON GILL,
Dallas, Texas.

To learn whether *Review* subscribers would prefer to receive copies open and flat, instead of wrapped and folded, some copies were sent out that way in January. A check was made. Four out of a hundred, like Mr. Gill, didn't care, while 41 preferred to receive the magazine the new way—flat. Eight preferred the folded wrapper, 47 out of each 100 readers did not comment. Accordingly, March and succeeding numbers will be mailed flat although this method costs more.—Ed.

O, Irony

To the Editor:

I was cruelly disappointed to find that the February *Review* devoted itself to inconsequential subjects such as the Saar election, the Austrian Starhemberg, the Supreme Court, oil, munitions, business, government, and finance. All that really matters are things like the Hauptmann trial, as you must realize by this time. Why insult your readers with trivialities like class and international struggles, or the New Deal, when the bleachers of Flemington, N. J., were only recently filled to overflowing with the American socially elite, anxious to be photographed and interviewed. The newspapers devoted practically whole issues to the incredible business. What sort of editors have you, anyway? Why don't you give us some real news?

A. T. JOHANSEN,
Atlanta, Georgia.

Danger Signals

To the Editor:

The articles on "Inflation" have been most interesting—and the recent one by Lewis W. Douglas especially so. Could this be reprinted?

Being a life insurance salesman, specializing in annuities, I am disturbed by the extravagance of the Administration, and its ultimate effect on insurance, and all forms of saving.

Apparently one cannot expect co-operation in combating possible inflation from the insurance companies—which may be due to their desire to keep as far as possible from politics. However, I do not see why the policyholders cannot make themselves heard, especially as every fanatic seems to be in Washington demanding that Congress appropriate endless billions without the

slightest care as to where the money is coming from. Most unfortunately, the great conservative middle-class, which stands to lose the most, is too busy with its affairs to heed the danger signals.

At a time when anyone who dares to criticize is likely to be called most uncomplimentary names by the powers that be, such men as Prof. Edwin Kemmerer and Lewis Douglas—not excepting the Editor of the *Review of Reviews*—surely deserve public thanks.

It is simply astonishing that the average person does not realize that this \$10,000,000,000 already expended, plus the additional five now asked for, is real money, and that it must come either from taxes, the savings of the people—or that other alternative which spells ruin.

CHARLES J. RICH,
Springfield, Mass.

Cartoons

To the Editor:

I enjoy studying your cartoons from month to month. To me one of the most interesting things about them is the difference in the attitude of the newspapers, through their cartoonists, toward their respective governments. The British cartoonists, like ours, have no hesitancy in criticizing policies, while the French, German, Russian, Italian follow pretty largely the prevailing policies of their governments. It seems to me that the foreign cartoonists are in no way superior to our own, and certainly not in workmanship.

HAROLD WALKER,
Cincinnati, Ohio

War Horse

To the Editor:

I want to thank you for calling my attention to your January number which contains the article by Mr. Karr on "Mechanizing the War Horse". Of all the articles that have appeared in recent years in our popular magazines and newspapers this article gives by far the clearest and most accurate picture of our efforts to modernize our Cavalry. Such a true and interesting exposition of the subject is of great educational value to the public generally, and is of material assistance to the Army in informing the public of the actual progress being made in our preparation for National Defense. It is very evident that the author made a thorough study of the subject.

LEON B. KROMER,
Major General, U. S. Army,
Chief of Cavalry.

Question

To the Editor:

What's the matter with this Townsend Plan?

In the February issue of the *Review*

you state, "The Townsend Plan needs no debate for the affirmative." As you intimate, the plan, to ordinary intelligence, seems to embrace all the sound accepted economics necessary to lift us out of this absurd, fantastic depression.

We all admit the Plan seems so practical, straight-forward and simple that there must be a catch to it somewhere. We seek enlightenment. If there are fallacies we seek a logical truthful explanation. . . .

The Townsend Plan is as yet a non-political issue, not subject to bally-hoo or revivalistic frenzy; just a simple understandable Plan that seems to apply to our individual lives and problems, an idea that we have caught from our "moron" friends with whom we may have a drink or a game of cards, in a gathering, or whatever the case may be. Small wonder that the Plan when presented to the Administration was met either with stony silence or cracked down with epithets as "a pitiful delusion, fantastic, and cockeyed".

May we see in the columns of the *Review of Reviews* some intelligent in-dorsement or criticism of the Townsend Plan?

C. W. HAGAR,
San Diego, Calif.

Re-reading the concise comment and analysis of the Townsend Plan in the February issue convinces the editors that the fallacies of the Plan were plainly brought out, and that further discussion would only bore readers and give the Plan's sponsors what they want most: publicity.—Ed.

Treasure Hunting, Inc.

To the Editor:

. . . I doubt if there is one person alive who is not interested in treasure hunting; it's human.

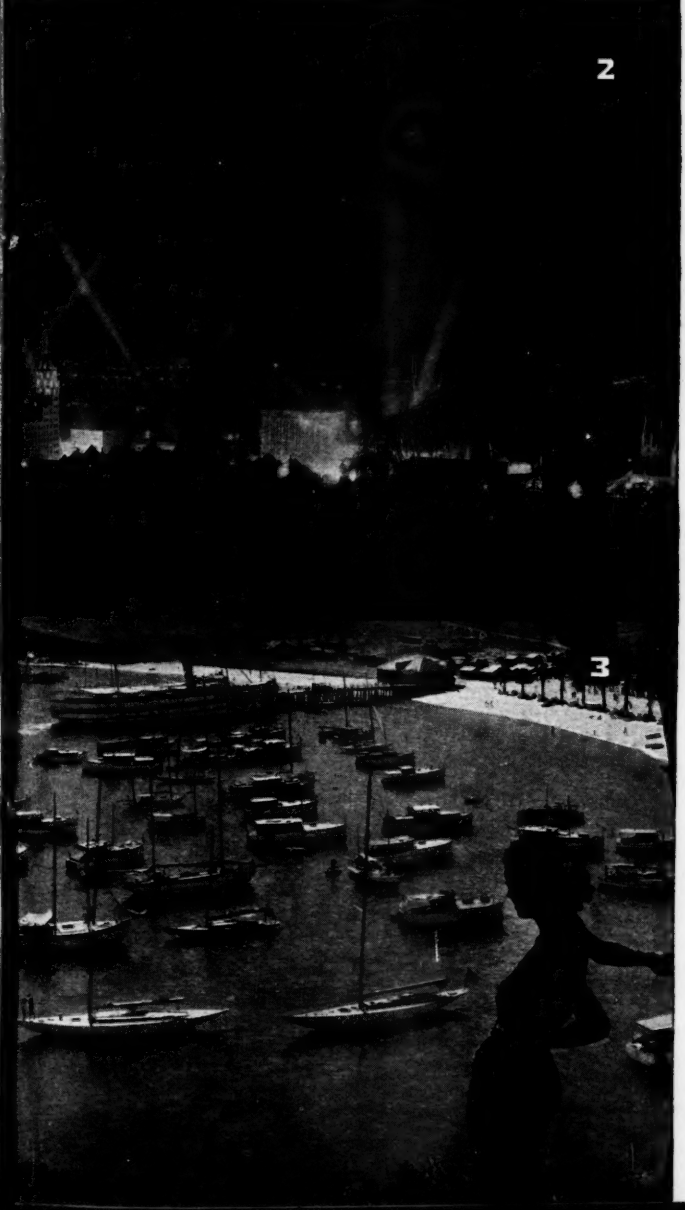
At the end of his article Mr. Chamberlin states that he certainly would go on some fantastic treasure hunt at the suggestion of some scatter-brained group of men, which proves that he is human, a rare trait in authors of today.

JACK B. BURKE,
Washington, D. C.

Mr. Chamberlin says he is glad to know that Mr. Burke thinks he is "human," as his friends have at times expressed some doubt! Since the publication of the article, he has received numerous accounts of new treasure expeditions being organized or under way in various parts of the country. The editors, however, will not let him go until next summer, which is the proper time to dig anyway. Furthermore, they have heard of one or two projects themselves which they would like, meanwhile, to look into.—Ed.



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SOUTHERN CALIFORNIA

Snapshots

- 1 "That's the *baile* we watched in Olvera Street our first day in Los Angeles. Remember how different everything seemed . . . like a foreign country!"
- 2 "There's that picture you took of Hollywood the night we went to the opening and saw everybody from Marlene Dietrich to Harpo Marx."
- 3 "We're still brown as Indians from the beach. Remember the Catalina trip? I can almost feel that ocean spray right now."
- 4 "We never finished that ocean-mountains argument. Had 'em both, along with a lot of other things we'd never seen before."
- 5 "There you are . . . lucky thing the picture doesn't show the ball still on the tee. Nothing wrong with the form though."
- 6 "You almost fell out of the boat taking that one. Where's that picture of the trout you caught?"
- 7 "I want to eat another orange right off the tree. Let's go again next year."

* * * * *

There's a whole book of snapshots and a lifetime of memories awaiting you on your Southern California vacation this summer. No day will be like another in this amazingly varied playground, where rainless days and nights cool enough for blankets will add zest to everything you do . . . and where living costs 18% under the U. S. average make your ordinary vacation budget ample for this trip of a life-time.

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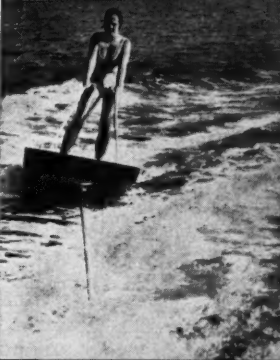
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MEN, WOMEN, AND BOOKS

Germans win more wars than generals, and our diplomats abroad have consistently muffed their opportunities, according to two of our authors. The latest books in brief review.

Rats, Lice and History

Plenty of statues have been erected in honor of dead generals but none in honor of a rat or louse. Max Zinsser, bacteriologist, thinks this is all wrong: "Soldiers have rarely won wars. They more often mop up after the barrage of epidemics. Typhus—with its brothers and sisters, plague, cholera, typhoid and dysentery—has decided more campaigns than Caesar, Hannibal, Napoleon and all the other generals of history."

Two examples are the typhus which helped destroy Napoleon's regiments after Moscow, and the tremendous losses in British, French and Russian ranks during the Crimean war. And that epidemics are not yet a matter of medical history may be seen in the cholera, typhus, malaria, and dysentery epidemics, along with tuberculosis and syphilis, which ravaged Russia after the war.

Lice thrive on both rats and human beings and it is through them that typhus, particularly, is spread. The Black Death or bubonic plague is but one of many diseases spread by rats. And if you think there aren't many rats anymore in our urban, sanitary civilization, you are very much mistaken. It is estimated that there is at least one rat for every person in the United States, perhaps two. Each rat destroys at least two dollars worth of property every year.

Dr. Zinsser says that there are still a goodly number among us who are lousy in the strict sense of the word. People as a whole are more sanitary (bathtubs didn't come into the United States until 1840) and people wear fewer clothes—which is a distinct hardship on the louse. But where slums and poverty exist, epidemics may always flare up. Typhus, for example, flourished along the Eastern Front during the World War. Soldiers, picking "cooties" off their clothes, did not realize what death-dealing powers these vermin might sometimes contain.

Rats, Lice and History (Little, Brown, 300 pages, \$2.75) is a disconcerting book. The author pays off some literary scores, and rambles off time and time again, though his discursions are seldom dull. This book is supposed to be a biography of a disease—typhus—but the history of typhus begins on page 167, the preceding chapters being fact and opinion on the social effects of epidemics. As we said before, Dr. Zinsser has little use for generals or their doings—with which this reviewer heartily agrees. War is incontrovertibly the refuge of stupid men.

Sesquicentennial

The *London Times* is now celebrating its 150th anniversary, and can laugh with General Goering, for it has seen many men on horseback come and go in its century and a half. Macmillans are publishing "The History of the Times," of which the first volume is now available at \$5. Two more will follow.



The prim *London Times* interviews General Goering, nazi extraordinary, to his amusement. From *Kladderadatsch*, a Berlin weekly.

Why We Buy

A psychologist's explanation of the desire-habits of ordinary mortals is always sensational. What makes us buy goods, for instance, and what sort of goods, and when? Here is fruity food for thought—especially for those whose job consists in selling, merchandising, or advertising. Dr. Donald Laird's articles in the January and February *Review of Reviews* have attracted enthusiastic attention; and in this March number yet another phase of modern life, affecting buying habits, is described: the importance of time in the mind of the consumer.

What Makes People Buy, by Laird, is published by McGraw-Hill, \$2.50, 250 pages. It is catchy, readable, and contains practical suggestions which executives will find handy in snaring wary customers—all through the subtle wiles of Laird psychology. We take pleasure in recommending a good book by one of our best contributors.

Our Innocents Abroad

American foreign relations used to be called *dollar diplomacy*, but that evidently is too dignified a name for it. So, at least, two of our experts indicate: Drew Pearson and Constantine Brown. Pearson was co-author of the famous *Washington Merry-Go-Round* and knows the Far East by first-hand experience, as well as naval conferences and Cuban revolutions and other weighty matters. Brown has been a newspaper correspondent in Russia and Turkey, where Lenin and Kemal were to him as brothers. He too knows naval conferences, such as they are, and why.

The American Diplomatic Game (Doubleday Doran, 398 pp. \$3) tells of fishbones and wives and parlor intrigue. It outlines the rivalries of professionals and amateurs in the American service, the influence of big business, and the problems of American-made disarmament thrust on a



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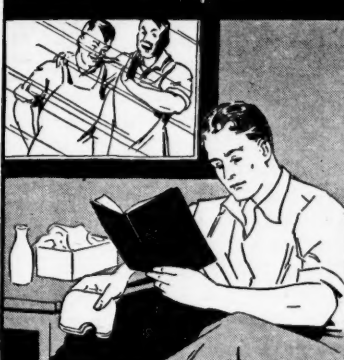
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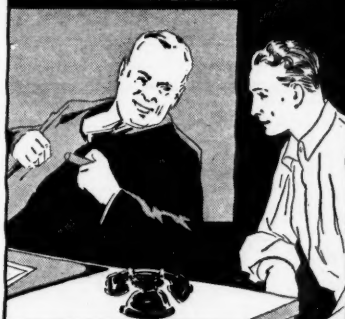
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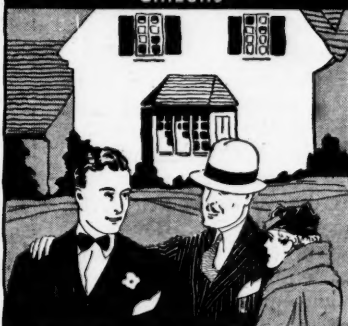
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For instance: Mussolini tells 500,000 fascists at Milan that Franco-Italian relations have notably improved. This was in October of 1934. . . "The vast throng roared with laughter. It was too late. The seeds of war had been too deeply planted."

The D.A.B.

Volume XV of the *Dictionary of American Biography* has made its appearance, edited as usual by the able Dumas Malone (Scribners, 647 pp.) This number runs from Charles Adams Platt, architect, painter and etcher, down through Isaac Roberdeau, civil and military engineer. Volume I of the series appeared in 1928. Outstanding contributors have made the set unique, and invaluable.

Twenty-Four Dollars

The Indians sold the island of Manhattan to the Dutch in 1626 for about twenty-four dollars in goods. This land is appraised at eight billion dollars today, and it is customary to poke fun at the Indians. Facts are that the goods they got were value received, so far as they were concerned, since they had no sense of absolute possession or property rights. The idea of grabbing a piece of land, hanging on to it, and keeping your neighbor off is one of the concepts of modern civilization.

Arthur Pound has written a story of New York in terms of its land which is one of the most interesting and well written books dealing with business which has come to this desk in many months. (*The Golden Earth*, 316 pp. Macmillan, \$3.50). In explaining why certain land became valuable while other land did not, he brings in an amazing amount of interesting information about New Yorkers themselves, right up to 1935.

A few of Mr. Pound's interesting facts are: . . . there were four hundred Indians on wooded Manhattan in 1600, and there are the same num-



Pop! Goes the

WEASEL

a small elongated
musteloid digitigrade
carnivore

These at least are the words you will find in some dictionaries under weasel—words requiring further search, and wasting precious minutes. Contrast these with the following clear, usable, and accurate definition, complete in one reference:

WEASEL—any of certain small, carnivorous mammals allied to the mink and skunk, with a pointed face and a long thin body; destructive to poultry, mice, etc.

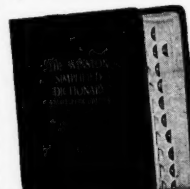
Of course, this definition is from the one dictionary that defines every word so that its use and meaning can be understood instantly.

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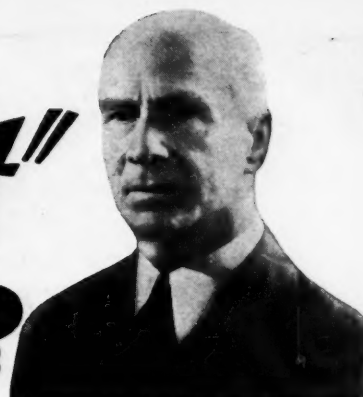
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But what if you could be ten years younger again, knowing the lessons that these times have taught you? What if you could have as much vigor, vitality and physical and mental energy as you once had—or perhaps even more? What if you could gain the actual state of well being of a healthy youngster and add 25 extra, *active* years or more to your span of life? Things would look entirely different, wouldn't they? The future would look a lot brighter. Well, you *can* have youth again in everything but years. I don't care how old you are now or what your present state of mind and health may be!

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All that becomes the more remarkable when you consider that twenty-six years ago, when I was 50, I had reached the very brink of the grave after a life of chronic ill-health and disease. I was crippled with arthritis and half-blind from Glaucoma—dying from blood pressure and a worn-out heart. Fellow physicians said I could not possibly live four months. But fifteen years later I won a \$1,000 first prize for physical perfection against all comers in a world-wide contest. And here I am today, one of the most active, vital, healthy men in the land, regardless of age.

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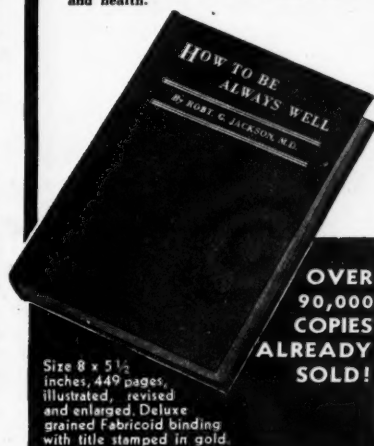
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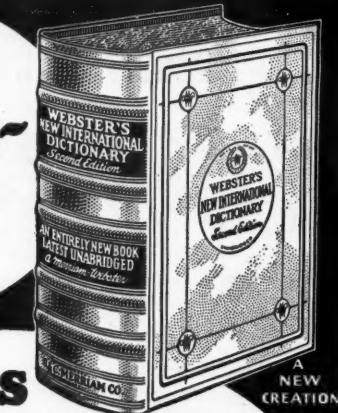
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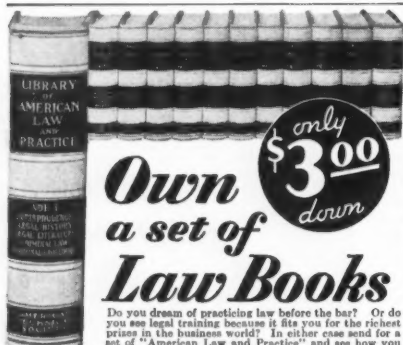


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ber living in apartment houses today . . . The Dutch were much more tolerant of differing religious beliefs than other colonies in America . . . During New Amsterdam's first years as a Dutch trading agency it lost money . . . The first general tax in Manhattan was levied by Peter Stuyvesant in 1657 . . . Captain Kidd once owned a 75-foot lot on the south side of Wall Street which he sold in haste before sailing on his last voyage . . . Alexander Hamilton sold his residence in Wall Street in 1793 for about \$6,000 . . . Work began on the first subway, up Broadway, in 1900 . . . Of the city's 6 million people, four million visit the island of Manhattan by day for work, trade, or play, and go home in the evening. Only two million can stand it both day and night!

Flanders Fields

Many myths of the war time are still extant in the United States. This does credit to the Allied propaganda, but not to the intellectual curiosity of our citizens. The absence of a concise critical history of the struggle may have been a contributing factor. If so, B. H. Liddell Hart's "History of the World War" (Little, Brown, \$4) should serve to hasten attainment of a realistic appreciation.

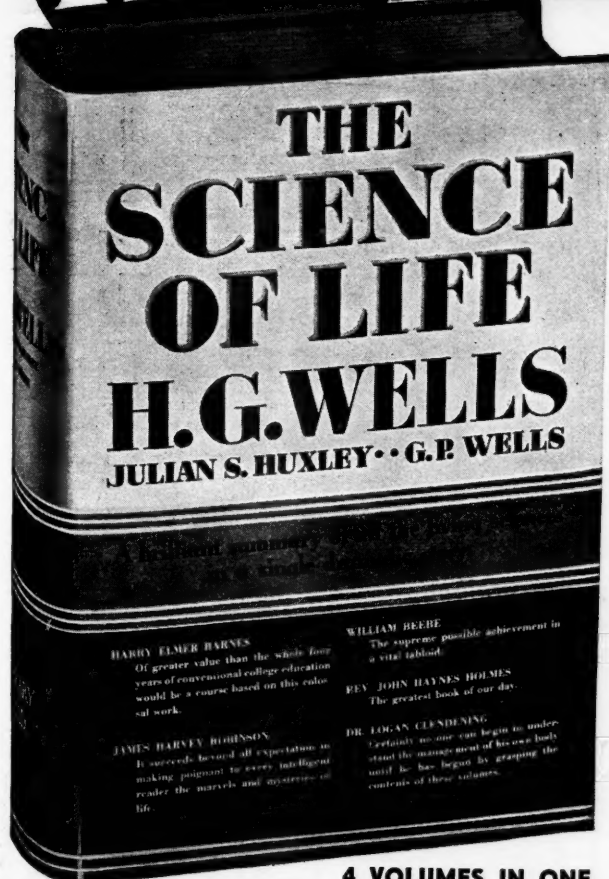
Professional soldiers are fond of reiterating the doctrine that the principles of their art do not change. Captain Liddell Hart shows conclusively, however, that in the World War the high commanders frequently forgot or ignored these immutable principles. Their mistake is grimly commemorated by "crosses, row on row". General Ulysses S. Grant learned in one battle at Cold Harbor that frontal assaults against intrenchments held by a determined and prepared enemy cannot hope to succeed even when the attacking force possesses numerical superiority. It took the French and British three years and hundreds of thousands of casualties to learn this simple truth.

The Germans, whose offensive operations were confined principally to the comparatively open Eastern Front during the early period, profited by the blunders of their enemies and in the spring of 1918 demonstrated a successful solution based on surprise. Real laurels are transferred to the heretofore obscure brows of Gallieni, real genius of the Marne, Hoffmann, author of the German plan at Tannenberg, Liggett, Commanding Officer First Army A. E. F., and the British Tank Corps.

This book should be bought up in carload lots by world peace organizations for public distribution, and by the War Department for compulsory use in its various institutions.—E.R.K.

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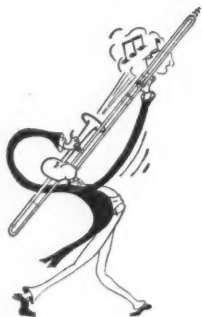
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